FBIS DAILY REPORT

CONTENTS

East Europe

24 Aug 87 FBIS-EEU-87-163

ALBANIA

Alia, Carcani Message to Romanian Leaders A 1
Korbeci, Officials Attend Romanian Reception A 1
Albanians Not Invited to Pristina Seminar A 1

BULGARIA

Zhivkov Meets Greek CP Leader in Varna B 1
BCP Daily Reports on National Assembly Sixth Session B 1
Reviews Agenda B 1
[RABOTNICHESKO DELO 19 Aug]
Filipov Address 18 August B 3
[RABOTNICHESKO DELO 19 Aug]
Assembly Decisions Examined B 6
[RABOTNICHESKO DELO 20 Aug]
Politburo Revokes All Education Entry Privileges B 9
Dzhurov, Todorov Attend Shipka Rally 22 August B 9

CZECHOSLOVAKIA

Strougal Receives Hungarian Ambassador C 1
Jakes Receives Beninese Delegation, Kerekou Message C 1
Husak, Strougal Greet Ceausescu on National Day C 1
Report on CPCZ CC Presidium Session C 2
[Bratislava PRAVDA 20 Aug]
RUDE PRAVO on Joint Interest in Restructuring C 3
Deputy Minister Matejka on Economic Reform C 6
[Prague PRACE Aug]

GERMAN DEMOCRATIC REPUBLIC

Border Guards' Order to Shoot Rescinded G 1
Honecker Stoph Greet Romanian Counterparts G 1
Mittag Ends Austria Visit After 'Successful' Talks G 1
Representatives Invited to Observe NATO Exercises G 2
Austria Signs Agreement on Law of Property G 2
Honecker Greets Guyana's Hoyte on Reelection G 2
[NEUES DEUTSCHLAND 20 Aug]
Justice Minister Discusses Basic Rights, Amnesty G 3

POLAND

Walesa Urges Fight for 'Survival' of Solidarity P 1
Jarulzelski, Messner Greet Romanian Counterparts P 1
Meeting Held With GDR Agricultural Delegation P 1
Leaders' Public Appearances 11-18 August P 2

ROMANIA

Ambassador in Rome Comments on Gulf, Reform R 1
[ANSA]
Ceausescu Chairs PEC Meeting 21 August R 1
Discusses Shamir's Visit R 1
Reviews Economic Matters R 2
AGERPRES Reviews 1986 Economic Achievements R 2
Socioeconomic, National Wealth Development Reviewed R 4
'23 August' Enterprise Performance Reviewed R 5
Leaders Participate in National Day Celebrations R 5
Ceausescu Attends Meeting R 5
Ceausescu Attends CC Reception R 6
Briefs: New Water Power Generator R 6

YUGOSLAVIA

RILINDJA Comments on Kosovo Polje Gathering Y 1
[17 Aug]
Kosovo Official Comments on Press Coverage Y 3
Poor Reputation Causes LC Membership Decline Y 4
[BORBA 5 Aug]
Use of SFRY as Refugee Transit Point Reported Y 4

ALIA, CARCANI MESSAGE TO ROMANIAN LEADERS

AU231313 Tirana ATA in English 0923 GMT 23 Aug 87

[Text] Tirana, August 23 (ATA) -- The president of the Presidium of the People's Assembly, Comrade Ramiz Alia; and the chairman of the Council of Ministers of the People's Socialist Republic of Albania, Comrade Adil Carcani, sent the following message of greetings to the president of the Socialist Republic of Romania, Nicolae Ceausescu, and the head of the Government of the Socialist Republic of Romania, Constantin Dascalescu:

"The celebration of the anniversary of the day of the liberation of Romania avails us of the opportunity that in the name of the Albanian people, the Presidium of the People's Assembly, the Council of Ministers of the People's Socialist Republic of Albania, and in our names to convey you and the Romanian people sincere greetings and the best wishes for the continuous development and progress of the country.

"We express the conviction that the relations of the traditional friendship between the two countries will develop non-stop to the benefit of our two peoples and the peace and security in the region."

KCRBECI, OFFICIALS ATTEND ROMANIAN RECEPTION

AU221534 Tirana ATA in English 0915 GMT 22 Aug 87

[Text] Tirana, August 22 (ATA) -- On occasion of the national day of Romania, the ambassador extraordinary and plenipotentiary of the Socialist Republic of Romania to the People's Socialist Republic of Albania, Gheorghe Pop, gave a reception on August 21.

Present at the reception were the minister of foreign trade, Shane Korbeci; the president of the Academy of Sciences, Aleks Buda; the vice minister of foreign affairs, Sokrat Plaka, and other guests.

Attending were also heads of diplomatic representations accredited to the People's Socialist Republic of Albania.

ALBANIANS NOT INVITED TO PRISTINA SEMINAR

AU191128 Tirana ATA in English 0915 GMT 19 Aug 87

[Text] Tirana, August 19 (ATA) -- The Yugoslav news agency TANJUG informs that the 13th International Seminar of Albanian Language, Literature and Culture was opened in Pristina. About 50 distinguished scholars and linguists of Albanian and Balkan studies from Yugoslavia and 20 other countries will discuss in the seminar on the scientific work of Eqrem Cabej, famous Albanian and linguist of Albanological and Balkanological studies.

Unfortunately, no scholar of this field was invited from the PSR of Albania, the country where Professor Eqrem Cabej was born, lived and conducted all his many year scientific activity in the context of the University of Tirana and the Institute of Linguistics and Literature at the Academy of Sciences. [sentence as received]

ZHIVKOV MEETS GREEK CP LEADER IN VARNA

AU221706 Sofia BTA in English 1257 GMT 22 Aug 87

[Text] Varna, August 22 (BTA) -- Mr Todor Zhivkov, secretary general of the Central Committee of the Bulgarian Communist Party, met today with Mr Kharilaos Florakis, secretary general of the Central Committee of the Communist Party of Greece (KKE), who is paying a brief visit here.

Mr Todor Zhivkov familiarized his guest with the work of the Communists and of all working people in this country for the fulfillment of the decisions of the 13th party congress and with the tasks set by the July 1987 plenum of the CC of the BCP.

Mr Kharilaos Florakis expressed full support for the efforts of Bulgarian Communists and of the entire Bulgarian people to achieve a new qualitative level of socialism, as well as for Bulgaria's constructive foreign policy. He briefed his host on the Greek Communists' endeavours in fulfilment of the decisions of the 12th congress of the Communist Party of Greece on rallying the left-wing and progressive forces in the country in the name of peace and change along the road to socialism.

The two party leaders considered some pressing international issues and questions concerning the international communist and workers' movement.

They pointed out that as a result of the U.S. militaristic policy, the international situation continues to be strained and dangerous. Support was expressed for the latest constructive proposals and peace initiatives put forward by the USSR and the other socialist countries for the prevention of a nuclear catastrophe, for strengthening peace and for an improvement of the international climate. It was emphasised that at this turning point, the cooperation and the joint work of communists with all peace-loving and democratic forces both nationally and internationally is more important than ever before for the maintenance of peace, for disarmament, for social progress, for a solution to the global problems facing mankind now.

Mr Todor Zhivkov and Mr Kharilaos Florakis indicated that the upgrade development of a close and mutually beneficial cooperation between Bulgaria and Greece is in the best interest of the Bulgarian and the Greek peoples and is of great importance for turning the Balkans into a nuclear- and chemical-weapon-free zone, for the cause of peace and security on the Balkan peninsula, in Europe and world-wide.

The two fraternal parties reiterated their firm conviction of the need for a further consolidation of the international communist and workers' movement.

BCP DAILY REPORTS NATIONAL ASSEMBLY SIXTH SESSION

Reviews Agenda

AU211830 [Editorial Report] Sofia RABOTNICHESKO DELO in Bulgarian on 19 August publishes on pages one and two an approximately 7,500-word report, datelined "Sofia, 18 August", by the newspaper's correspondents Mitko Bozhkov and Stefan Severin on the proceedings of the sixth session of the Ninth National Assembly, under the headline "Time for Bold Decisions and Innovative Constructive Deeds." After a general introduction, stressing the importance of the main item on the agenda, namely the discussion of the draft of the "Law on Establishing the Oblasts," the report describes the opening of the sixth session of the Ninth National Assembly by its chairman Stanko Todorov and details the agenda.

According to the report, item 1 of the agenda, the bill on approval of the State Council's decrees issued between 9 and 30 July, was proposed on behalf of the Legislative Commission by People's Deputy Aleksandr Dimitrov and unanimously approved. The report lists the decrees thereby retified:

"Decree No. 2242 on Duty-Free Customs Zones."

"Decree No. 2243 on Amendment of the Road Traffic Law.

"Decree No. 2244 on Abrogation of the Decree Regulating Technical Legal Qualification and the Right of Private Technical Practice.

"Decree No. 2415 on Transforming the Georgi Dimitrov Higher Special School Under the Ministry of Internal Affairs Into the Georgi Dimitrov Higher Institute Under the Ministry of Internal affairs."

Under item 2, the "Proposal on Election of a Commission to Draft Amendments to the Constitution of the People's Republic of Bulgaria," the report states that the proposal by the BCP and Bulgarian National Agrarian Union [BZNS] points out that the "Basic Principles of the Concept on the Further Constructions of Socialism in Bulgaria," approved at the July 1987 plenum of the BCP Central Committee, make such changes necessary. According to the report, the National Assembly deputies then elected the following 21 members of the commission:

"Angel Balevski, Angel Nikolov, Andrey Bundzhulov, Boris Spasov, Velichko Minekov, Georgi Atanasov, Ginyo Ganev, Grigor Stoichkov, Dimitur Dimitrov, Emil Khristov, Emiliya Kostova, Ivan Velinov, Nikola Manolov, Orlin Zagorov, Pencho Kubadinski, Petur Dyulgerov, Petur Mladenov, Petur Tanchev, Todorka Tsvetkova, Chudomir Aleksandrov, and Yaroslav Radev."

Further, the report states that item 3, the "Proposal on Structural and Personnel Changes Within the Council of Ministers," was proposed by Council of Ministers Georgi Atanasov. The report continues with an account of the speech on the proposal by People's Deputy Grisha Filipov, "in the name of the BCP parliamentary group."

According to the report, next "People's Deputy Angel Dimitrov spoke in the name of the BZNS parliamentary group" in favor of the proposal, noting that "the proposed first ever radical reorganization of the work of the Council of Ministers will make it a true organ of self-management," "a battle headquarters, an executive and administrative organ of the National Assembly." The report also summarizes a speech by People's Deputy Lyuben Kulishev in favor of the proposal.

According to the report, the people's deputies then "unanimously voted for the proposal." Details of the proposed government changes are then given. The report next notes that "the newly elected member of the Government, Stoyan Ovcharov, signed the oath of allegiance document."

There follows an account of the speech made by Yaroslav Radev in favor of item 4, the Bill on the Establishment of Administrative-Territorial Units -- Oblast. Radev is reported as stating that when the new law comes into force the State Council should be given the "right to change the boundaries of the administrative-territorial units and to determine their administrative centers."

The report continues with a summary of the speech by People's Deputy Velko Palin on behalf of the BCP parliamentary group, noting that "in conclusion the speaker stressed the following:

"The new administative division of the country will create more favorable conditions for strengthening the defensive functions of our society. More direct concern will be given to strengthening the country's defense and security, preserving public order and socialist legality, and fighting crime and the other negative phenomena in our society. Vigorous, severe measures will be taken to defend citizens' rights and lawful interests, with full observance of the principle that all are equal before the law."

After summarizing the speeches in support of the proposal made by Yanko Markov on behalf of the BZNS parliamentary group, and by People's Deputies Petur Petrov, Elena Danailova, and Svetlin Rusev, the report continues: "In the absence of any proposals for amendments and additions to the bill, the bill was adopted on the first and second votes, with one vote cast against in each case. The Law on the Establishment of Administrative-Territorial Units -- Oblasts was thus approved."

Regarding item 5 of the agenda, the report states that "the people's deputies unanimously approved the candidature of Vasil Zhelyazkov Mruchkov and elected him to the post of prosecutor general of the Republic."

The report concludes with an account of the closing speech by National Assembly Chairman Stanko Todorov.

Filipov Address 18 August

AU211134 Sofia RABOTNICHESKO DELO in Bulgarian 19 Aug 87 pp 1, 2

[Report on speech delivered by Grisha Filipov, member of the BCP Central Committee Politburo and BCP Central Committee secretary, at the Sixth Session of the National Assembly on 18 August in Sofia -- passages within slantlines are published in boldface]

[Text] In terms of their overall substance, the decisions of the BCP Central Committee July 1987 Plenum are aimed at the accomplishment of a new revolution in our country. This is why these decisions and our activities following the July plenum /determine the specific character of the political situation in our country, and this is no coincidence,/ because the deeds we are involved are truly historic deeds.

In this connection, today it is necessary not simply to look for better solutions to one or the other problem, not simply to improve one or the other sphere of life, but /to achieve a radical turning point in our development and to build a qualitatively new socialism in our country./

The chief problem of every revolution is the /question of power./ This is the case of the present historic stage of development in our country. This is precisely why the concept of the further development of socialism in Bulgaria /treats the question of creating a totally new power as its main issue./

What kind of qualitatively new power are we talking about? It is obvious that we are talking about power based on the Leninist postulates, based on the brilliant deeds and aspirations of the Paris Commune, in accordance with the specific conditions existing in our country. [paragraph continues]

These examples from history teach us that /socialism should not be characterized by a bureaucratic system of administration, but by a government whose entire hierarachy is submitted to the interests of the individual, to the interests of the workers collectives, to the interests of all our society,/ the speaker further pointed out.

In this context we have already acquired a certain experience. Self-managing organizations with their own elections organs [izborni organi] have already been established in our country. National associations of commodity producers are expected to be established in the near future; the same applies to the creation of a uniform social organ of scientific-technical associations, through which the entire system of science and its links with the economic sector will be built up on a self-management basis.

The question submitted to our discussion today pertains to restructuring in one of the chief organs of state administration -- the Council of Ministers. There are no constitutional obstacles to the changes that have been proposed in this respect. This is why the proposal to introduce necessary changes within this organ and to create respective prerequisites for the further expansion of restructuring upon the principles of self-management, without any delay, is perfectly justified.

The changes in the government fully conform to the principles set forth in the July plenum documents and are inspired by Lenin's ideas about a future socialist government; they also reflect the experience of the Paris Commune. These changes are aimed at synthesizing the activities of the Council of Ministers organs relating to the main directions of social life, providing a drastic change in the functional state structures.

The principles of self-management require an extensive democratization of government work and a basic change in the substance and methods of its work. The government will function as an organ of the self-management system, as an executive and administrative [razporeditelen] organ of the National Assembly. It will be elected by the National Assembly, which is the exponent of the people's will.

The most typical example of this is the proposal to establish a /uniform planning-economic organ of the state in the form of a Ministry of Economics and Planning./ The establishment of such an organ is determined by the uniformity of our nationwide national economic system. To administer this system through different organs would mean re-introducing the departmental approach, it would mean to create prerequisites for a revival of bureaucratic methods in economic management.

On the other hand, the creation of a uniform organ such as has been proposed, provides an opportunity to efficiently direct the national resources and to use them in accordance with the requirement of qualitatively new growth; it enables us to implement the management of the national economic system through economic methods, levers, and means by, so to say, expressing the economic-organizational function of the state.

The proposal on the establishment of the new Ministry of Foreign Economic Relations is correct as well. There are numerous centers working in this field in our country today, which considerably limits the efficiency of our foreign economic activities. It is well known that our economy is an open one. Our country's interests require the implementation of a uniform policy in the development of our participation in the international division of labor, in socialist economic integration, and in the intensification of our economic relations with capitalist and developing countries. Without this, we cannot develop as a modern state and build up a new technological base in our country.

The proposal to guarantee a smooth transition from the old to the new organs is of exceptional great importance in restructuring the government. In implementing the government changes we must not allow any malfunction of economic and social processes to disrupt the implementation of the 1987 plan.

That is why we should not only support this approach, but should also, through the parliamentary commissions, assist the government in performing the most painless possible transition to the new structures. This is also evident from the new functions of the parliamentary commissions in their role as a social support to the Council of Ministers.

The National Assembly must endorse the /candidacies for the posts of leaders of individual government organs./ These proposals stem from the new principles set up by the July plenum. Obviously, when we talk about the Council of Ministers, and not only this organ, we should not confuse the party and political position of an individual with state and other functions. The party function is one thing, and the state, or economic function of an individual is quite another. It is necessary to understand thoroughly that under the conditions of the self-management system, one's political position is not a condition for a state function, and vice-versa. Under the conditions of the self-management system, nonparty people and people who are not deputies to the National Assembly, but who are competent in their profession and capable of implementing the party and state policy correctly and efficiently, can occupy important positions.

If this is not understood, and if we start to build up the state hierarchy again in accordance with party positions, we would be abandoning all the principles established and adopted by our party Central Committee July plenum. This line should be supported and applied throughout our sociopolitical practice, by the mass media, and by the press, the speaker pointed out.

The development of new government organs is a work of exceptional importance. /At the same time, the new power we are creating requires these structures to be invested with new meaning, and to master new approaches, a new style, and new methods of work/ in conformity with self-management and with the economic principles of leadership. They must be built up as viable, cybernetic systems, based on the latest control equipment and control technologies.

A question of cardinal importance connected with the essence of the work of the new organs is that they are not simply intended to take over the functions of the organs being abolished, but to attain a qualitatively new level, to master a new range of problems. Therefore, it would be expedient to perform a restructuring process within the government organs and to change the substance and functions of the new organs so that they may conform to the requirements of the self-management system. These changes must be such as to make the restructuring process /irreversible and final./

When we talk here at the National Assembly about restructuring in the functions of the government organs and about investing the work of these organs with new meaning, it would be expedient not only to mention the new organs, but also those we are not dealing with at the present moment.

A fundamental change in the substance and functions of the government organs raises the question of /the administrative [upravlenski] apparatus of these organs/ from a new perspective. The new power that is created in our country does not deny the role of the administrative apparatus. When we talk about the eliminatiion of the bureaucratic administration system, we do not assume that the administrative apparatus should be completely eliminated. Such an apparatus is necessary for the functioning of every organ.

The task now is that this apparatus should be a basically new one. It must be an apparatus serving the self-managing communities and development on the basis of the principle of competition, it should be elected by the collective and placed under its control.

In implementing the restructuring process in respect of the structure, functions, and methods of work of the ministries, we should by no means slacken our discipline, or underestimate strict order and exigency.

Redirecting the cadres to new posts must obviously take place after these cadres have demonstrated their ability to cope with their new tasks. This will obviously be a test for everyone. The chief criterion should be the implementation of the 1987 plan. This, as a matter of fact, will be the first test for all of us.

National Assembly Deputy Grisha Filipov closed his statement by saying: As you see, today we are discussing questions of particular importance and long-term goals. They are in full conformity with the concept of further building socialism in the People's Republic of Bulgaria. That is why, on behalf of the BCP parliamentary group, I propose that we unanimously support the proposals on structural and personnel changes in the government. This is how we will respond to our people's vital interests and to the objective requirements of the era of great changes in which we are living and working.

Assembly Decisions Examined

AU221630 Sofia RABOTNICHESKO DELO in Bulgarian 20 Aug 87 p 1

[Editorial: "Boldly on the Road of Self-Management and Popular Power"]

[Text] In implementing the ideas and decisions of the July plenum of the BCP Central Committee, a great step forward has been made along the road of the revolutionary restructuring of socialist society in Bulgaria on the basis of self-management and of the party postulate concerning the state as the owner, and the labor collective as the manager, of socialist property. It ensures that the principles of democratic centralism are brought into even fuller effect, in accordance with the actual conditions in Bulgaria and the specific political situation at the present time.

The sixth session of the Ninth National Assembly adopted the Law on Establishment of the Administrative-Territorial Units -- Oblasts. The number of these oblasts, their borders, and their territorial centers will be determined by decree of the State Council. Until elections are held, the oblast people's councils will operate with provisional executive committee in parallel with and alongside of the leading organs of the territorial units existing hitherto. Important structural and personnel changes were made in the Council of Ministers, aimed at achieving a deep reorganization of one of the supreme organs of state authority as a battle headquarters and as an executive and administrative organ of the National Assembly.

A new power structure has been set up in the vertical and territorial aspects, under which a reallocation of the functions, rights, and responsibilities of the top, middle, and lower levels of the power structure will take place. The state and social principles are merged, while the workers develop from being managed to acting as managers. Conditions are created for a further transition from power in the name of the people to power through the people.

Were these changes necessary? Yes. Why so? To answer this question, one has to lay here the dialectics of socialist construction and the party's April line regarding the state and state government, the country's administrative-territorial and settlement organization, and the entire restructuring of our society that started following the 13th BCP Congress and received a powerful impetus after the July BCP Central Committee plenum.

The question of the state as a form of the political power of the workers class and of its content existing at every stage has always been a topical one for the theory and practice of socialism. The party, in its struggle both for the victory of the revolution and for the construction of socialism, has never ceased to seek a model for the new society under which the national and international program goals in the exercise and development of power and the functioning of the state will be achieved, and by which there will be a gradual transition to self-management, to true popular power.

The continual improvement of the upper structure of state government and the consistent implemention of the party's territorial policy, as outlined at the April 1956 Plenum of the BCP Central Committee, are an expression of this creative quest. As is well known, in 1959 a reform was carried out under which the 13 okrug centers existing at the time were increased to 28. In 1977, in fulfillment of the decisions of the March BCP Central Committee plenum, 300 municipalities of a new type were delineated on the basis of the existing settlement systems. The townships acquired their rights. What was the purpose of all this? It was aimed at decentralizing state power and bringing it closer to the territory and the individual, while continually expanding socialist democracy. It was aimed at more efficiently utilizing the national wealth, at improving integrated services to the population, and at speeding up the development of productive forces and production relations, especially in such backward regions as Ludogorie, the Rhodope and Pirin areas, Strandzha-Sakar, and so on. As well as this, the okrugs also contributed to achieving a great advance in the overall development of society, and to transforming Bulgaria, within an historically brief period, into an advanced industrial-agrarian country with a flourishing culture and a continually rising living standard for its people.

However, in the course of time these territorial units exhausted their potential, and certain negative tendencies appeared within them. The okrug centers won unjustified precedence for themselves, all at the expense of the municipalities and townships. Certain social problems became exacerbated. "Territorial feudalism" proved to be a retarding factor. The borders of the okrugs frequently formed barriers to the development of productive forces and the improvement of production relations on a national scale. Many state organs proved to be superfluous. Departmental and territorial narrow-mindedness, local and branch interests, bureaucratic attitudes and red tape, and, in certain cases, isolation from the people delayed or stopped the implementation of the innovative, promising decisions and ideas of the party and the state leadership of the country.

Now, when the 13th BCP Congress has given us the fateful task of achieving qualitatively new growth and turning Bulgaria into a highly developed and cultured country, it is a matter of urgency to ensure new conditions -- political, economic, social and legal -- for the socialist state and, correspondingly, the people's councils, to function much more dynamically. This is one of the decisive factors for creating the type of model necessary for the further construction of socialism in our land, and for the law on the growing role of the people and of self-government to be put fully into effect. We do not merely need new decisions and routine further improvements, but profound qualitative changes in the political organization and management of society, both at the center and on the local level, at the different levels of power, and in social relations, primarily in labor relations. [paragraph continues]

Self-government also requires the establishment of a new, nontraditional structure of the political system, the reorganization of the form of the state, and the embodiment in the state of the most appropriate content for the present time.

This is why several ministries were abolished, others reorganized, and new ones created. The councils and a number of committees under the Council of Ministers are no more. The new state organs will be of an integrated nature, they will be set up and operate on the principles of self-management, as cybernetic systems. Functioning in a new style, with a fundamentally new apparatus, and supplied with cadres that are competent, capable, able to quickly accept the new and apply it in practice, and capable of showing their own initiative, these state organs will implement a uniform policy in all spheres, and at the same time will allow scope for the self-managing communities and will be under their control. The ministries will be relieved of the functions of transmitting party and state decisions and will be purged of the feeling of confidence in their own impunity when they commit errors. Like the oblast leaderships, they will be organs of self-management, not of administration, organs that are both state and political organs, with new functions, rights, and responsibilities. Accordingly, they have to be on the alert from the very first day of their formation. They have to establish an atmosphere of business efficiency, good organization, and high exigency toward themselves and others, but also show concern for all cadres, particularly those that will now change their posts and places of work, and provide resolute support for those who work dedicatedly for the success of the restructuring.

The decisions of the National Assembly create state and legal preconditions for fulfilling the decisions of the July BCP Central Committee plenum, and mark out reliable guidelines for building the model of the new socialist society in Bulgaria and for making it a self-managing society. These decisions, an expression of the innovative spirit and reforming force of the party, represent an expected, logical, inevitable change and conform to the people's interests and aspirations.

We are setting out on the difficult, steep path of revolutionary restructuring that leads to the cherished goal -- the construction of mature socialism and the transformation of Bulgaria into a highly developed and cultured country. Intense work awaits us. Difficulties will be encountered: inertia, conservatism, egoism, doubts, and perhaps even lack of faith; and there also will be objective obstacles. Nothing can or should delay us. This is the only right solution. Only this road leads to socialism of a new quality, to the prosperity of the country and of man, and to the worthy place among the other states and peoples that is our due.

Now, in implementing the transition to the new structures, the party and social organizations, state and economic organs must use all their forces, forms, and means of ideological, explanatory, and organizational work to spread the spirit of the July plenum among the workers and reveal to them the profound meaning and far prospects of the decisions adopted and the measures undertaken. This should be done in an open, straightforward dialogue with every person, in order to convince him or her that it is now one's supreme patriotic duty to work with one's heart and skill to establish the new, implement the restructuring, together with the current tasks, to create an atmosphere of discipline, order, good organization, and zealous work to achieve the lofty goals that the party has set.

Socialism is a movement, a continuous movement that every Communist, every member of the National Agrarian Union, Fatherland Front, and Komsomol, every citizen must join.

POLITBURO REVOKES ALL EDUCATION ENTRY PRIVILEGES

AU211640 Sofia BTA in English 1557 GMT 21 Aug 87

[Text] Sofia, August 21 (BTA) -- The Politburo of the CC of the BCP has recommended that all privileges enjoyed by certain categories of applicants for admission to all types and levels of educational establishments in Bulgaria should be abolished as of January 1, 1988.

The candidates for enrollment in educational establishments should only be judged by their marks and by the purpose-oriented requirements of the different territorial areas and economic branches, the decision says.

In admitting students so far, all educational establishments in Bulgaria extended preferential treatment to children of active resistance fighters against capitalism and fascism, to children of members of the armed services who had died in the line of duty, to holders of the honorary titles "Hero of the People's Republic of Bulgaria" and "Hero of Socialist Labour", to residents of parts of the country which were classified as lagging behind in their development, to winners of a variety of nationwide competitions in different school subjects, etc.

DZHUROV, TODOROV ATTEND SHIPKA RALLY 22 AUGUST

AU221822 Sofia Domestic Service in Bulgarian 1730 GMT 22 Aug 87

[Text] A festive rally was held today on Shipka peak to mark the 110th anniversary of the fierce fighting on the peak. The rally was opened by Mincho Yovchev, first secretary of the Stara Zagora Okrug BCP Committee. It was attended by Comrades Dobri Dzhurov, Stanko Todorov, and Vasil Tsanov; eminent party and state leaders; and workers from the entire country.

Velko Palin, chief of the Social and National Security Department of the BCP Central Committee, delivered a speech. [passage indistinct] He emphasized the importance of the liberation of Bulgaria from centuries of Turkish slavery, one of the most glorious events in Bulgaria's history. At this rally we will not forget the splendid feats of the Russian soldiers and the Bulgarian militia, the speaker stated.

Marshal Vladimir Tolubko, first depty chairman of the Soviet Bulgarian Friendship Society and head of the delegation of the Union of Soviet Societies for Friendship and Cultural Relations with Foreign Countries that came for the Shipka celebration, delivered a greetings message.

A garland of flowers was laid in front of the Liberation Memorial as a mark of nation-wide gratitude to the defenders of the Shipka Pass.

STROUGAL RECEIVES HUNGARIAN AMBASSADOR

LD211500 Prague Domestic Service in Czech 1030 GMT 21 Aug 87

[Text] In Prague today, Federal Premier Lubomir Strougal received Bela Kovacs, ambassador of the Hungarian People's Republic in the CSSR. They discussed the further deepening and expanding of all-round relations between the two countries. They paid particular attention to proposals for the development of economic cooperation.

JAKES RECEIVES BENINESE DELEGATION, KEREKOU MESSAGE

LD211528 Prague Domestic Service in Czech 1300 GMT 21 Aug 87

[Text] Milos Jakes, member of the Presidium and secretary of the CPCZ Central Committee, today met a delegation from the Benin People's Republic. The head of the delegation, Martin Dohou Azonhiho, member of the Political Bureau of the Central Committee of the Benin People's Revolutionary Party and minister of rural development and cooperatives, presented him with a message from Beninese president Mathieu Kerekou for CSSR President Gustav Husak.

The two representatives briefed each other on the economic and political situations in their countries and the fulfillment of conclusions of the two parties' congresses. The two also assessed the standard of bilateral cooperation. They agreed to state an interest in strengthening and advancing cooperation by means of unused opportunities in both countries.

HUSAK, STROUGAL GREET CEAUSESCU ON NATIONAL DAY

LD211701 Prague CTK in English 1413 GMT 21 Aug 87

[Text] Prague Aug 21 (CTK) -- Czechoslovak Communist Party General Secretary and President Gustav Husak and Premier Lubomir Strougal have sent Romanian Communist Party General Secretary and President Nicolae Ceausescu and Premier Constantin Dascalescu a congratulatory telegram on the national day of Romania.

They highly appreciated the fact that ties of firm friendship and alliance between the fraternal communist parties and the nations of the two countries have been established and that broad, mutually advantageous cooperation has been developing, and voiced the conviction that Czechoslovak-Romanian relations, based on the principles of Marxism-Leninism and socialist internationalism, will further extend to the benefit of the peoples of the two countries and of the joint cause of socialism and peace.

The two Czechoslovak representatives appreciated also increasing all-round cooperation of Czechoslovakia and Romania, of other Warsaw Treaty and Council for Mutual Economic Assistance member states, as well as other socialist countries.

Of main significance at present is the joint struggle, waged together with other peaceloving and democratic forces in the world, for averting the threat of nuclear war, for disarmament and creating a comprehensive system of international security and for peaceful future of mankind, the telegram stressed.

REPORT ON CPCZ CC PRESIDIUM SESSION

AU211318 Bratislava PRAVDA in Slovak 20 Aug 87 p 1

["Report On a Session of the CPCZ Central Committee Presidium"]

[Text] Prague -- At its session yesterday [19 August] the Presidium of the CPCZ Central Committee examined the progress of this year's harvest work, which has been made considerably difficult by the unfavorable climatic conditions. The presidium valued the selfless effort expended by farmers to make good the delay in harvest chores. Statewide, about a half, and in the Czech SR more than two-thirds of the grain is still waiting to be harvested. Therefore it is necessary to utilize every single hour to harvest the promising crop qualitatively and with the least possible losses. The Presidium expressed the conviction that in the days to come farmers will further escalate their efforts and initiative to master the current complex situation. It entrusted the appropriate agencies with the task of organizing the necessary help and creating the essential conditions for the successful conclusion of the harvest, including ensuring the necessary energy sources.

With the beginning of fall chores, the accumulation of harvest work will be exceptionally demanding. The agricultural sector will require effective help from the entire society, patron enterprises, national committees, National Front organizations, members of the Czechoslovak People's Army, students, and all our citizens.

The Presidium discussed some issues connected with the preparation of the restructuring of the economic mechanism. It acquainted itself with the course of the discussion on the draft law on state enterprise and expressed appreciation for the working people's support for the draft.

At the same time it stressed that primary attention must be paid, in particular, to the fulfillment of this year's planned tasks, to improving the work of the managing agencies on all levels -- beginning with ministries and ending with enterprises -- in order to eliminate the shortcomings in the functioning of the economy.

The Presidium session further assessed a draft law on farmers cooperatives, which proceeds from the resolution of the 17th CPCZ Congress, from the resolution of the 10th Statewide Congress of United Farmers Cooperatives, and from the approval of the Principles for Restructuring the Economic Mechanism. The objective of the draft, which links up with the draft law on state enterprise, is to further activate the initiative and interest of people employed in agriculture's cooperative sector, more efficiently to develop the efforts of United Farmers Cooperatives when it comes to utilizing their extensive potential in the interest of a more rapid growth of the productivity of labor and production efficiency.

The draft deepens and develops the tried and tested principles of cooperative democracy, strengthens the economic accountability of United Farmers Cooperatives, increases their responsibility for results and for satisfying society's needs. It proceeds, in particular, from the strengthened role of economic instruments and economic contracts in the management of United Farmers Cooperatives and envisages expanded scope for their activity while respecting national interests. In accordance with the CSSR Constitution, it enshrines the CPCZ's leading role in the development of cooperative agriculture and in the activity of individual farmers cooperatives. The Presidium adopted a number of recommendations pertaining to the fine tuning of the draft which will be published so that the working people can express their views on it in a public discussion.

The CPCZ Central Committee Presidium also assessed a report on the development of nonagricultural cooperatives, consumer, production, and housing cooperatives. It stressed that the acceleration of socioeconomic development, the deepening of socialist democracy, and the participation of the people require that their democratic, self-managing character be deepened. In this connection, the Presidium addressed the principles of the draft law on nonagricultural cooperatives, and issued instructions to submit the final draft -- after it has been completed -- to the nonagricultural cooperatives' sector for assessment.

The Presidium session also discussed a report on the results of checks carried out by the CSSR Committee of People's Control on how socialist legality and the principles of socialist ethics are being observed, which are stressed in the letter of the CPCZ Central Committee Presidium of 1983. The Presidium criticized the fact that in a number of enterprises numerous instances of the violation of principles of socialist management and of valid laws and regulations were ascertained. It endorsed the package of concrete measures adopted by the CSSR Government to combat these negative phenomena.

The CPCZ Central Committee Presidium stressed the lasting validity of the tasks contained in the aforementioned letter, and entrusted the party's territorial [uzemne] agencies and communists in all sectors with the task of stepping up the struggle against disorders, lack of thrift, and waste, and against phenomena of indifference and corruption. It entrusted the party's regional and district committees with the task of again devoting themselves to the implement of the letter in their activity. These issues must be discussed at members' meetings of the primary organizations and conclusions from them drawn in accordance with the party statutes and valid laws.

The Presidium also acknowledged information on how the working people's complaints are being dealt with. It stressed the duty of all managing agencies and ranking personnel to react attentively to suggestions of the working people and resolve their justified complaints and recommendations. It also discussed some other issues in the sphere of domestic and foreign policy and the party's work.

RUDE PRAVO ON JOINT INTEREST IN RESTRUCTURING

LD211029 Prague Domestic Service in Czech 0700 GMT 21 Aug 87

[Text] RUDE PRAVO today carries an editorial entitled "In the Unity of Own and Common Interests". It reminds us that the second year since the 17th congress of our party has been filled with a number of (?effective) events which provides evidence about the commencement of important social changes connected with the restructuring of our society, which is being prepared. Public discussion about the fundamental changes in our economic mechanism and about the draft bill on the state enterprise is characteristic of the situation in which our society, under the leadership of the CPCZ, aims its efforts at further developing socialist democracy and at setting up people's socialist self-management.

One of the new forms of this development is the proposed self-management bodies of labor teams. The communique from the Wednesday session of the CPCZ Central Committee Presidium, which was published yesterday, speaks about the next step within this effort. A draft bill on the agricultural cooperative movement will be published too, so that the working people can express their opinion about it in public discussion. The CPCZ Central Committee Presidium also discussed the principles of the draft bill on the nonagricultural cooperative movement, which will also be presented to the public for discussion.

The RUDE PRAVO editorial goes on to say that this is part of the entire complex of exceptionally significant measures which are now being worked out by the party and by government and state bodies in accordance with the decisions of the 5th CPCZ Central Committee session in March of this year. This orientation presupposes fundamental restructuring of all aspects of our country's social life: the economy, politics, ideology, the work of the party, and of the entire National Front. Open politics, the presentation of important political decisions for public discussion, public knowledge of affairs, critical reevaluation of obsolete or outmoded procedures and methods -- these are the cornerstones of the path along which we wish to proceed with increased intensity. On the broad basis of the National Front, our party mobilizes all honest people devoted to the socialist homeland for further creative work.

Not only the theory of Marxism-Leninism alone, the editorial goes on, but life as well teaches us and also provides evidence of the fact that the greatest riches of our country lie in its people, in their fruitful and creative activity. The striving for profound and all-round democratization of the life in our country is today subordinated to raising the interest of each individual member of our society in the prosperity of the unit, to creating the best possible prerequiste for participation with a feeling of responsibility in deciding economic, social, and cultural matters, so that the individual will be aware that he must be a real master, that his word carries weight -- similar to the situation existing in the countries of our socialist allies and friends. At issue are basically two feelings of responsibility: our people's responsibility and the responsibility of all of us for the destiny of both our socialist homeland and the advancement of socialism on the international scale.

Experience has shown that the success of the socialist states in attaining their joint aims depends on the degree of activity and initiative displayed by each of them. The contrary, however, is also true. Our own mistakes have their consequences both at home and also abroad. We in Czechoslovakia have found out, too, that this is a valid maxim. This is well explained in the document "Lesson Learned from the Crisis-Ridden Development in the Party and Society After the 13th CPCZ Congress". Above all, this document universally proves that the loss of the dynamism of economic development, stagnation in development, attempts to conceal shortcomings instead of tackling and eradicating them, a deviation from the basic laws and principles of Marxism-Leninism created at the end of the sixties a situation in society which led our country into deep crisis. The situation was misused by the antisocialist forces which, in close coordination with international reactionary forces, attempted social retaliation, thwarting the socialist revolution and the achievement of socialist construction and tried to return to the capitalist order.

We are speaking about relatively ancient events. A whole new generation has grown up in our countries since the end of the sixties when the tragic events mentioned above took place and when they were overcome. This relatively long lapse of time since those difficult times, however, does not diminish in the slightest the lesson learned from that bitter experience. It does not reduce it -- on the contrary, it confirms it. Just as at that time, the RUDE PRAVO editorial goes on, today too it justly emphasizes the key importance of the principles of socialist internationalism which we link intrinsically with socialist patriotism and which form the basis of relations of the countries of our community. Thanks to the application of these principles, it was possible at that time to create a firm background for all forces devoted to socialism within our society which helped them to decide the political struggle, to cope with the complicated situation, to defeat the counterrevolution, and to restore the values of socialism.

The "Lesson from the Crisis-Ridden Development in the Party and Society After the 13th CPCZ Congress," which assesses that era, the experience gained by the party and by society has lost nothing of its importance. This must be said loudly today to be heard by people who would like to exploit the fact that these events took place a long time ago to distort their essence, for guileful political speculation, to conceal the fact that the counterrevolutionary forces did not strive for a so-called better socialism, a so-called socialism with a human face as was then demagogically claimed but instead they wanted to dismantle socialism. At stake were the authority and further existence of the political system of socialism and the outward orientation of socialist Czechoslovakia.

The document "Lesson..." justifiably emphasizes the pledge that applies to the party and society as a whole, to each communist, and to each honest man thinking as a whole, in a socialist way: To protect and develop socialism and never again to allow it to be jeopardized in the slightest, whatever beautiful words and slogans may be used as a cover.

This very historic document, the editorial says, reminds us again of the cardinal principle of our policy that the strength of the party lies in its connection with the people, and that the strength of our socialist state lies in its alliance and universal cooperation with the countries that are on the same path as our peoples -- the path of socialism.

Our party and our society are resolving the questions concerning the development of the republic in a sovereign way, with awareness of revolutionary continuity and responsibilty toward the working people, our peoples and nationalities. This commits us to look into the future and to respond to the new needs of social development, to thoroughly implement the program of the 17th CPCZ Congress, to raise the pace at the same time and to promote a new approach, high exactingness, criticism, and openness, and to overcome shortcomings in an effective manner. The basis of further successful progress is the harmony between the principles which are being promoted and practice. This corresponds with the Leninist principles of party and society management. These principles also commit us to judge in a critical manner the results achieved by us, to respond in a timely way to the new phenomena in all spheres of social life. It is necessary to boldly implement everything which in its totality corresponds to the creed of restructuring: more socialism, more democracy.

The awareness of our own national and socialist interest does not impair for a moment the awareness of our socialist togetherness. As Comrade Gorbachev said during his April visit to our country, the achievements of the socialist community are not possible without the care of every country and every party not only to their own interest but also to joint interests, without feelings of respect for friends and allies, and without binding respect for their interests. Comrade Gustav Husak said on the same occasion that our working people, our party, and our society will do their mightiest to make socialism in Czechoslovakia even stronger and more attractive, to give it more dynamism, enthusiasm, and new breath, to enable people to work and live better. The intertest of our own country and the common interests of socialism in the world are inseparable in this endeavor, concludes the RUDE PRAVO editorial.

DEPUTY MINISTER MATEJKA ON ECONOMIC REFORM

AU101235 Prague PRACE in Czech 6, 7, 8, 11 Aug 87 pp 1-3

[Interview with Deputy Minister Engineer Jaromir Matejka, secretary of the Government Committee for Problems of Planned National Economic Management, "prepared" by Ivan Spani and Eduard Zitnansky: "One Hundred and Twenty Questions on Restructuring;" place and date of interview not specified; opening passage is newspaper's introduction; published in four installments]

[Excerpts] Engineer Jaromir Matejka is secretary of the Government Committee for Problems of Planned National Economic Management subordinate to the Office of the CSSR Government Presidium in the rank of deputy minister. He is 54 and a seasoned economic practitioner. He has behind him a career as planner in the Skoda plant in Plzen, head of a State Bank department and of a Federal Price Office department, and, most recently, as adviser to the CSSR premier. He also also held many party functions. He is now secretary in the chief command of the restructuring of the economic mechanism and as such one of the best qualified people to answer the questions of trade union functionaries, managers, and readers addressed to our editorial office, questions being discussed at the workplaces. We will gradually acquaint you with his answers to 120 questions concering the restructuring of the management of our economy.

[Question] We do not want to discuss the question of whether the restructuring of the economic mechanism is necessary or not and to what extent it is topical. What we would like to do is discuss some issues that are unclear and the fears whether we will manage to avoid premature and ill-timed solutions. We would also like to elucidate to our readers issues that are still in the discussion stage and solutions that are still being sought, explain the nature of restructuring by means of specific principles, and refute unfounded fears, fears which are a production of deep-seated ideas about the only possible way that the socialist economy can function. Which of these fears are the most frequent ones, which of them are most, and which of them least justified?

[Matejka] I would like to start with the deep-seated ideas, which are, of course, legion. One of them is the fixed notion that the shortage of this or that product is some sort of an inseparable characteristic of the socialist economy, that it recurs periodically, and that this simply cannot be changed.

Second, there is the notion that planning and the itemization of the plan in the enterprise can be carried out only by the command method, by means of the most detailed directives of the central plan possible. This erroneous notion is coupled with the idea that administrative command management is, literally, the sole representative model of socialist managemment; this is a product of the notion that the state plan, that is, the center, is the only initiator in a socialist economy.

Another equally erroneous notion that lingers on is that a socialist economy should be distinguished by the largest possible economic units possible, of the sort of our economic production units, whose average size is 27,000 employees. Units of this average size do not exist anywhere else in the world.

People's greatest fears lie in their belief that these long-term practices, which have been around for 30 years in our country, and for 60 years in the Soviet Union, are impossible to change, that a change is illusory, and that we will not succeed in changing them; that we will not succeed in turning the existing system by new methods into a system that is completely geared to the socialist type of intensification. [paragraph continues]

This is the most common fear, but I think that it is unfounded. Changing these anachronistic notions and principles, and the speed of this change -- that is a question of the existence of socialism.

Another such fear is a certain lack of clarity as to where restructuring will take us, whether applying commodity-market relations on a greater scale, using flexible prices and exchange rates, and orienting organizations toward profits -- that is, making far greater use of instruments that are typical for a market economy -- might not produce certain tendencies of a return to capitalism. This fear is the least justified of all; to be more precise, it is utterly unfounded. Even under these conditions, socialist ownership will always remain at the root [of the economic mechanism] and our restructuring provides for such instruments as will greatly reinforce and expand socialist ownership, rather than weaken it, of which we are witnesses today when enterprises and and economic production units live literally from their substance. For 15 years now, the growth rates of national income and the profitability of production assets have been continuously declining... while monetary funds have been growing at twice the rate of national income in current prices. [passage omitted]

There is thus a number of disparate notions that have struck deep roots and that need to be radically changed. It holds true also for our country that the time for deciding for or against restructuring is gone. The introduction of premature or poorly prepared measures is not the problem. The main risk lies in being too late in introducing restructuring! I tend to regard this risk as more grievous than the risk of introducing measures that have not been fully tested and that might have to be redefined as we do. [passage omitted]

[Question] What are the greatest obstacles to the restructuring of the economic mechanism, and its greatest open risks?

[Matejka] All the things I have said until now are not meant to suggest, of course, that restructuring is a matter that is free of problems and conflicts. That is why no means the case! On the contrary, restructuring and, in particular, its first stage and the preparatory period will be accompanied by a number of very serious problems and, let us face it, unpopular solutions. Let me give an example. Our enterprises operate under diverse economic conditions, have different standards of machinery equipment, and dispose of varying amounts of working capital. And, regardless of their equipment, we will demand of them in the future essentially uniform proportionate contributions to the creation of national income. This problem will have to be dealt with. In doing so, we will have to avoid the risk of harming someone who has low efficiency standards because in the past we used to siphon offi his resources.

Another such problem, the literally most serious problem, is the current soft, lax economic conditions in our country. This is manifested, above all, in easy access to menetary resources, in the ease with which it is possible to obtain subsidies. Credits re easy to get and in many cases the market permits the producer to raise his prices without justification -- at a time when we have three very well equipped central price control agencies! By tightening levies and taxes and by means of credit, subsidy, and exchange rate policies, we will have to cut resources that had been illicitly obtained int the past. I am saying this openly.

Another risk lies in the inertia of economic structures. Moreover, this inertia is also perpetuated by capital investment projects that will be completed in 3 to 5 years and will only then come on stream. Yet the decisions on these projects were made on the basis of old criteria, according to old viewpoints. We will have to reassess and redirect these investment projects and it cannot be ruled out that in some instances, when they are inconsistent with future criteria, we will even discontinue them.

The greatest risk of all would be if we instituted restructuring incomprehensively. The fact is that there are many areas of the economy where the senior staffs, agencies, and organizations in charge of these areas simply disagree with its principles and refuse, or are trying to refuse, to meet precisely that point of the 37 points encompassed by the principles of comprehensive resturcturing which concerns them. The central links of management, for example, believe that the principles as a whole are correct, except for that part which provides for the abolition of the central links of management. Yet the entire mechanism cannot possibly function as it has been conceived without their abolition! A struggle witll thus have to be waged for a comprehensive perception of the principles; nothing can be dropped from them. The greatest risk is a failure on our part to muster enough courage and strengthen to grapple with the conflicts that are in store for us.

[Question] The restructuring of the economic mechanism is not our first economic reform. What lessons do we derive for it from previous attempts? Why did these past attempts fail and what must be done to avoid confining restructuring to the plane of propaganda alone?

[Matejka] The current restructuring is, in fact, the fourth ateempt at a meaningful reform of the economic mechanism. The previous attempts failed for many reasons; the reform of 1968 for political and, in part, also for economic reasons. I think that our current resturcturing cannot fail for political reasons; let us therefore speak about problems with an economic basis, or a predominantly economic basis. First and foremest, most previous reforms lacked comprehensiveness. The "Set of Measures," for example, postulated some correwct principles such as long-term planning, the 5-year plan as the basis of management, and the like, but it did not establish conditions for their implementation. A number of economic sectors remained unaffected by these reforms. This was one of the main reasons [for failure], along with the fact that, as drawn up, the reforms of the economic mechanism and the reforms of management were detached from practical conditions in the economy.

I will cite an example. The principle of convergence of domestic and foreign prices and of eliminating price supports was drawn up, but the state plan never really reckoned with this. We raised the demand on production organizations to be accountable for the profitability of exports, but failed to furnish them with the appropriate comprehensive rights to influence foreign trade operations. The main reasons for the failure of previous restructurings are two fold: First, we backed away from the solution of conflicts when they had to be tackled. [passage omitted]

The second main reason for the failure of previous attempts at reform stems from a certain dogmatism, from a dogmatic approach to the economic mechanism. This approach is characterized by the notion that a socialist economy cannot make active use of prices and of the domestic market, that it cannot use categories such as profit. [passage omitted]

[Question] Is the intended restructuring adequately prepard to face up to all this? We have come across the view that, even though the current restructuring is the most ambitious of all the reforms attempted until now, it is also the least prepared one.

[Matejka] It is not true that it is the least prepared reform. Of course, there are areas in which we will have to learn for quite a while to come, areas in which no socialist economy can serve us as a representative example. [passage omitted] But the problem of restructuring is not so much not knowing what to do, the problem is rather how and when to do this, and to have the courage to be prepared for the risk of taking wrong steps that will then have to be rectified. A number of principles have been confirmed by long history. [paragraph continues]

We know, after all, that you cannot print money [emitovat penezni prostredky] at twice the rate of the growth of national income in current prices! Of course, there will be insolvent enterprises, we will have to deal with structural changes, and will have to ascertain the causes. But we can do that. The question is how to deal with these things and, of course, how to find a tolerable degree of the ensuing repercussions and risks. [passage omitted] The problem as I see it is not in a lack of preparedness, but, rather, in the courage to start as soon as possible. [passage omitted]

[Question] You have stressed the need for courage to cope with this revolutionary task. But you have also said yourself that there are many people precisely in central agencies who resist this. We will have this courage then? After all, the enterprises alone cannot carry out these changes.

[Matejka] That is why I stress that restructuring cannot be done from below. Of course, we have started with the [draft] law [on state enterprise] in order to spur initiative at the grass roots. But restructuring must be carried through from the top. The party, the government, the Federal Assembly, the Central Trade Union Council, and other central agencies must play the key role in getting restructuring started. And I am convinced that they play this role. And they also have courage.

[Question] Will the fate of the "Set of Measures" of 1980 not be repeated? In the opinion of economists from practice, the "Set of Measures" was buried by the central sphere not complying with it.

[Matejka] But that is the truth. And do publish it as being also my opinion. The words of Comrade Gorbachev of roughly a year ago that the central sphere, that is, the ministries buried the experiment and that by the time the principles approved by the party and the government reach the enterprise nothing but a rag of paper is left -- here, too, I am quoting Comrade Gorbachev -- fully apply to our conditions as well. that is why I say that the highest party and state agencies must literally compel the central agencies to change their behavior and their attitude to the economic mechanism.

[Question] The "Set of Measures" of 1980 postulated many correct principles, and some of them recur in the principles for restructuring the economic mechanism, and hence should serve as the germ for the new system. Yet all these principles -- be it long-term planning, counterplanning, refraining from cuts in wages payable in the event of manpower savings, or the stability of some regulations and normative rules -- were not properly translated into reality.

[Matejka] The "Set of Measures" programmed principles but it did not say how to apply them in practice, it did not provide an answer as to the conditions under which these principles can be put into effect. Besides, it omitted many things altogether. It did not at all affect the organization and the style of work of central agencies, particularly the State Planning Commission, the Ministry of Finance, the State Bank, and so forth. It left the status quo with regard to economic production units. It did not address the issue of the exchangeability of the Czechoslovak koruna, especially for the currencies of the other socialist states, nor did it address other issues, including the self-management of work collectives. And, something which was the most momentous of all, although it set out to markedly reduce the number of indicators, it essentially proceeded from the principle of management through indicators, and not from the principle of efficiency criteria, on which restructuring is based. It can be said that the "Set of Measures" did not lay the foundations for the change from quantitative to qualitative approaches to management and planning. [paragraph continues]

That is why the central sphere and the sphere operating on the basis of economic accountability remained at odds with each other. The criteria valid for the area of the state plan differed from those which applied to the enterprises in the area of economic accountability. For example, the "Set of Measures" provided for the use of about 5 to 7 mandatory indicators. And the state plan really did contain this number of mandatory indicators. However, by the time the state plan filtered through to the enterprise via the ministry, the economic production unit, and other agencies, there were literally hundreds such indicators. The "Set of Measures" thus enunciated the correct principle of a cut in the number of indicators, but it was completely incapable of putting it into effect. [passage omitted]

[Question] We would also like to mention the violation of the proclaimed principle of counterplanning and the violation of the principle that wages payable must not be cut when manpower is saved. Trade union members in particular are drawing attention to these violations.

[Matejka] Your observation is correct. Many principles have been killed by the intermediary links of management. In order to boost the organizations' interest in cutting their staffs, for example, the state plan did not use, and even forbade, the guidance of enterprises by means of mandatory average wages. Yet the majority of branches and economic production units did guide their enterprises by means of this forbidden indicator of average wages.

As far as counterplanning as conceived in the "Set of Measures" is concerned, we do not reckon with this in the future. The present form of counterplanning is fraught with many mistakes. It is pegged to the annual plan, and thus the method of counterplanning itself in reality seriously upsets the principle that the 5-year plan serves as the basic instrument of management. [passage omitted] The current method of counterplanning in fact leads to the concealment of hidden potentials. [passage omitted]

In the restructuring of the economic mechanism, the principle of counterplanning is therefore conceived in a completely different way. The plan as a whole should be a counterplan. We must put the enterprise in a situation in which it is advantageous for it to set itself the most exacting plan possible. However, it must be certain that no one will change its normative rules, especially those with long-term validity. [passage omitted] And indeed, these rules will be very hard to change, because the change, would have to be approved by the government, for example, and it would have to apply to all economic organizations. This rules out any changes that would offset or negate the good and bad economic results of enterprises. [passage omitted]

[Question] During discussions on the draft law on the state enterprise, executives tend to start with the things that worry them most -- that is, shortcomings in supplier-user relations -- and they look in the draft law for ways of eliminating them. They propose, for example, that the law be supplemented with stipulations on the enterprises' duty to meet all orders, to satisfy in the first place the needs of CSSR customers, and the like.

[Matejka] These people proceed from the fixed notion that it is possible to restore order in supplier-user relations by means of legal relations, or regulations. That is an illusion! Because first there must be more products than money, and not the other way around; twice as much money as there are products! The outcome of the management of the economy as practiced until now is an economic imbalance. In the last 15 years money has been put into circulation at twice the rate of the growth of national income and the demands and needs of enterprises have also been growing faster than the resources to meet them. Last year's and this year's results have even deepened this state of imbalance.

[Question] Under the new economic mechanism -- in which, as a matter of principle, no production volumes will be set for the enterprise -- everyone will thus strive to set himself only production plans for which he will have guaranteed supplies of resources and subdeliveries... Will the speed and the dynamism of the economy's development not have to be sacrificed to the restoration of economic balance?

[Matejka] There are basically two ways of dealing with imbalance in an economy: accelerating the pace of the creation of resources, that is, accelerating the growth rate of national income, or reducing the rate of growth of monetary resources operating in the economy. On no account is it possible to claim that the restoration of economic balance requires a cut or a reduction in the pace of development. Balance can, and must, be restored primarily by an increase in the creation of resources. It will be necessary to boost the dynamism of the creation of national income. [passage omitted]

On the other hand, however, we will not be able to avoid unpopular measures to limit the amount of money in the economy. This means, above all, cutting or even suspending fiduciary issue [Uverova emise]. The fact is that it is only by means of fiduciary issue that monetary resources get into the economy. I am thinking of the monetary resources at the disposal of the state budget, economic organizations, and the public, because all these economic subjects -- the state or its organizations, the public or enterprises -- create by means of these resources demand that is backed by purchasing power.

[Question] The public's deposits in savings banks increased 7.4 percent in the first half of the year. Given the much smaller percentage of income growth, this is a rather negative development.

[Matejka] You are right. We cannot, of course, opt for the easiest but antisocialist way of robbing the people of their money, even though the idea would be worth considering with respect to some groups of the population. This definitely does not apply to workers, nor does it apply to pensioners or to families with several children. But there are groups of the population with excess money on which relatively low taxes are levelled, groups of the population enjoying benefits which the majority of the Czechoslovak working people do not have. In these cases we will probably have to consider instituting greater justice, in incomes as well as in their taxation.

We can by no means touch the living standards and the cost of living of the majority of the population. Cutting the monetary resources available to the state budget and enterprises, to economic organizations but also to budget-funded organizations, must be the decisive way. Subsidies must be reduced, economic normative rules tightened, credits cut, and the principle must gain ground that an enterprise must cover its needs primarily from its own retained earnings, and not from subsidies or credits. [passage omitted]

All of this must result in the restoration of balance between products and money in circulation; this balance is the basic prerequisite of speeding up the pace of development. Economic organizations with easy access to money -- be it in the form of credits, price rises, or reduction of product quality -- have no incentive to innovate, to raise efficiency, to deliver more promptly, to reduce their inventories, or to cut construction-in-progress, that is, to put production factors to a more effective use. The restoration of balance between products and money in circulation is the key to an effective restructuring.

[Question] We say that it is necessary to prepare oneself for restructuring. But is this really possible using current methods? When we read the reports released by the bureaus of statistics on last year's and, above all, this year's economic performance, we saw that it is precisely the key targets on which structuring are founded and according to which enterprises will be evaluated under the new system, which developed badly.

[Matejka] You are right. The profitability of exports is declining; inventories, production-in-progress, and construction-in-progress are growing; and qualitative indicators, profits, and the planned growth rate of national income are not being fulfilled. The use of national income does not continue in line with the plan...

[Question] The base from which restructuring is to be launches is thus jeopardized.

[Matejaka] First, this creates the risk, the big risk, of restructuring making insufficient impact and, and second, the risk of enterprises being accorded independence without operating under exacting conditions and without acting in accordance with national interests. That is why we are preparing, for the 1988-90 period, the creation of conditions that will be very exacting indeed. We must carry out several momentous interventions in the economy that will lead to the restoration of economic balance.

[Question] Which of the main principles of restructuring the economic mechanism will be introduced ahead of schedule for these reasons, and when exactly will they be introduced?

[Matejaka] Those principles that will speed up the process of restoring economic balance. [passage omitted] Several provisions of the law on state enterprise, such as the right to set up direct ties with economic organizations of CEMA member-states without any mediation, the election of top managers and of the labor collectives' councils, the right to choose one's own supply and marketing channels, or the granting of independence to enterprises, will come into force on the day that the law is passed. [passage omitted]

[Question] Does that mean that these provisions should be in force as early as next year?

[Matejka] Yes. We reckon that starting in 1988, or in 1989, we will begin to apply in the entire national economy, or in its designated branches, new methods of directing the development of wages -- methods that will already be based on the principles of self-financing. In conjunction, we will furnish the enterprises with the authority to carefully choose their own forms of performance and profit-related pay [nadtarifni slozky mady] and to determine the level of pay in accordance with specific work results. We proceed from the premise that foreign trade instruments and exchange rates will be changed in the entire national economy, in accordance with the principles. As you know, new wholesale and procurement prics will come into force on 1 January 1989, and new levies and taxes will be in force as of 1 January 1990. Agriculture will switch to the principles of 1 January 1989. Trade, production and consumer cooperatives, restaurants, and a number of services will gradually switch to the principles of restructuring effective 1 January 1988 or 1989. Changes in the organizational structures in the enterprise sphere must start practically at the beginning of next year. This means breaking up economic production units, setting up independent enterprises, forming large, medium-sized, and small economic entities or, on the other hand, building complete large economic entities -- in research, for example, in project design, machine design, or from the viewpoint of foreign trade, supplies, marketing, and so forth. [passage omitted]

I would like to stress that the years between 1988 and 1990 will definitely not be a waiting period. [passage omitted] It will be a period in which all economic subjects will become familiar with the parameters -- be it normative rules, taxes, levies, criteria, or conditions -- into which they will plunge in 1991. It will thus be a period of serving everyone notice that effective 1 January 1991 the same rules will apply to everyone, essentially without any exceptions, exemptions, and allowances. [passage omitted] Those who let this period slip will expose themselves to the serious risk of getting into a special regime, into a program of consolidation, or even of being abolished as an independent economic subject. [passage omitted]

[Question] Until now, when an enterprise applied some piece of scientific-technical information, which it took over from an institute outside the sector or the enterprise, and things went wrong, nothing happened. It was argued -- well, that was a risk. Who will bear this risk now?

[Matejka] All risks stemming from scientific-technical development projects, on which the decision was made by the enterprise, will be borne by the enterprise.

[Question] Basic research always entails the risk of revealing only which paths are impracticable. [passage omitted] Who will be responsible in such cases?

[Matejka] It is self-evident that any loss incurred in basic research will be borne by the state. [passage omitted] But the moment the results of basic research begin to be applied in practice, the principle of profit-and-loss accounting comes into force. [passage omitted]

[Question] Until now, our enterprises have been sheltered from various speculative fluctuations on capitalist markets, be it fluctuations in prices or economic terms. Will they be spared such influences in the future as well?

[Matejka] With regard to great bulks of imported raw materials, subsidiary materials, or foodstuffs having large cyclical ups-and-downs -- such as crude oil, staple foods, or phosphates, that is, raw materials that have an impact on the entire national economy -- we naturally reckon also in the future with a certain central price control, which, however, must be more flexible than it is now. Prices must be adjusted to the development of world market prices, but they cannot be allowed to change daily as on the stock exchange -- they do not do so even in capitalist states.

[Question] There are also risks resulting from the more or less competent decisions of central agencies. Until now enterprises have often had to bow even to phoned orders.

[Matejka] The law on the enterprise stipulates that central agencies, be they sectional or cross-sectional, can assign to enterprises only tasks which follow from the state plan. They must not add anything to it. But when an enterprise implements a decision which is embedded in the state plan and suffers damage on its account, the relevant central agency must make up for this damage or property loss.

[Question] Is the enterprise expected to sue the central agency -- a ministry or state commission, for example -- in the arbitration court?

[Matejka] Of course. If the enterprise proves that it suffered property loss on account of the central agency's decision and proves this in due course, it can bring the agency to trial. This cannot be ruled out. [passage omitted] If the center instructs an enterprise to manufacture a certain product in the belief that it can be sold on foreign markets and it turns out that the product is either unsalable or salable only at a loss, the center must make good such loss. If the central agency which approves retail prices decides that the rent, mass public transport, or other services should be provided at lower prices than is economically justified, it must reimburse the enterprise for the appropriate portion of proceeds to enable it to operate as a cost-accounting unit.

[Question] Aside from state agencies, there are also other agencies -- territorial agencies, for example -- that interfere in the operations of an enterprise. These agencies do not have the possibility to settle claims.

[Matejka] You are probably thinking of national committees or party agencies. They cannot, and do not have the legal right to, act or work using the methods discussed here, that is, issue orders on what to produce, what to deliver, and so forth. Party agencies, but also other agencies, must assert their interests by other means -- through elected agencies, through the labor collectives' councils, and so forth. [passage omitted]

One of the most frequently expressed views of the enterprise sphere on the comprehensive restructuring of the economic mechanism is a general approval of its principles followed by the demand for an exemption for one's own enterprise.

[Question] The principles of restructuring the economic mechanism speak of uniform economic normative rules, uniform efficiency criteria, of the enterprises' interest in making profit. We can hear quite a lot of voices which agree with the principles "in principle." support them, but point out that when it comes to their own enterprise, sector, or branch it will be necessary to ask for an exemption from the principles and to proceed in a different way. Among those who argue in this way are the food industry, communications, transportation, the building trade, the makers of electronic components, and so forth. There are also those who claim that it would be unfair to ask that, from now on, they should earn the funds for their own modernization because, until now, their contributions have been used to modernize other enterprises or branches. To what extent will such demands find their expression in exemptions from the new economic mechanism?

[Matejka] I would like to stress that efficiency criteria, normative rules, taxes and remittances to the state budget, types of prices, the type of organizations' material incentives -- that is, the linkage between material incentives and efficiency criteria -- must be essentially uniform in all branches. If we did not adhere to this uniformity, we would be unable to distinguish who is efficient in the economy, who has a future and who does not, where to allocate resources with the certainty that the structural changes will be cost-effective. [passage omitted]

[Question] Yet we have whole branches whose existence was, and still is, founded on subsidies because this is socially more beneficial than being entirely dependent on imports.

[Matejka] The rules must be essentially uniform. [passage omitted]

If we want to apply uniform efficiency criteria and normative rules in all branches and enterprises of the national economy, we must give them equal chances and provide equal economic conditions. This means that, at least on entering the restructuring of the economic mechanism, they must be furnished with essentially the same degree of profitabilty in prices and that we must build into the prices essentially the same proportion of profit and the same tax and remittance burden. The restructuring of wholesale prices, which will resolve these matters in many respects, provides for the elimination of subsidies and for equal duties in surrendering profit shares even in agriculture, industry, and trade, and -- in the long run -- also in transportation. This should partly eliminate unjustified differences. The restructuring of prices and the institution in its wake of essentially uniform remittances as of 1 January 1990 will not resolve all the problems that need to be resolved in order to make the conditions for organizations uniform. That is why we are preparing another set of measures to unify the economic conditions for enterprises in, for example, the provision with working capital, their provision with capital assets, and the like. The crucial part of these measures should be applied as early as 1988-90. However, I stress that even after 1991 we will not be able to avoid some exemptions by granting rebates, for example, or by imposing additional levies, such as levies on property, to even out the economic conditions among enterprises with greatly depreciated basic assets on the one hand and enterprises which used to be allotted enormous investment funds, on the other. Naturally, there will be more such measures. I have not mentioned all of them.

[Question] Do the measures which you did not mention include exemptions for the food industry, communications, transportation, the building trade, or the producers of electronic components, that is, for those who produce expensively, but who do so to the benefit of everyone else in the national economy?

[Matejka] Today, if you ask anyone in any branch of the national economy, in any ministry, you will invariably be told that it is their particular branch which must get the most investments and which must be granted an exemption. Agriculture, for example, because of the specific conditions of farming; the food industry, because it has for years been deprived of investment funds; electrical engineering, because as a branch it must develop at the fastest possible rate; engineering, because it is at the root of the policy of modernizing the national economy and because it lays the foundations for cost-effective exports; and trade, because of its poor provision with its own capital, because of the low earnings, and because its capital investment has been curtailed for years. The only possible solution is to give everyone essentially the same chances in restructuring and to tell those who want to invest more than they will have to create more resources. There is no other way. The state will provide resources only for the truly greatest priorities of the national economy. This will probably be the case with nuclear power stations, the environment, the computerization of the national economy, I suppose, and the like, but it will definitely not apply to the routine investment needs of all branches. [passage omitted] Even in the aforementioned branches, there should essentially be no exemptions as of 1 January 1991, save for cases in which it will be necessary to even out extremely disparate conditions -- in the provision with production assets, for example -- that have their roots in history.

[Question] And what about food subsidies?

[Matejka] Food subsidies are a matter of retail prices. No cuts in these subsidies are envisaged because restructuring does not envisage changes in the retail prices; above all, it does not envisage any changes in the price of foodstuffs. The only way in which subsidies in the food industry can be reduced is according to plan, in connection with efficiency growth and cost-cutting in agriculture and the food industry. This should be the main path.

[Question] We expect the new mechanism to create harmony between the interest of the enterprise and the center in achieving the highest possible net income. In lieu of pressure by the center on plan-setting, the new mechanism will therefore make use of desirable offers of advanced [progresivni] plans by the enterprises. Yet this harmony does not necessarily have to exist between the enterprise and its subdivisions. What will stimulate the interest of the subdivisions in uncovering their potentials and their active quest for an advanced plan?

[Matejka] [Passage omitted] The methods of management within an enterprise must objectively differ from those used between central agencies and enterprises. [passage omitted] It is natural that in intra-enterprise management, greater use will be made of direct command management than in relations between central agencies and enterprises. [passage omitted]

[Question] The law on the enterprise should also demarcate the zone which the center must not enter in relation to the enterprise. What should this zone comprise?

[Matejka] The law on the enterprise defines the zones in which the center may intervene in the affairs of an enterprise. It does not, of course, regard as intervention the promulgation of generally valid laws or principles of management. Levies and taxes, for example, are universally valid in the national economy and they must not be regarded as intervention in the affairs of the enterprise, even if the state generally changes their level. [passage omitted] Nor is it possible to regard state orders as intervention. On the contrary, it will be advantageous for an enterprise to obtain state orders. A state order is, in fact, a form of agreement, of a contract between the enterprise and the state.

Only direct tasks of the state plan or allocations of limited resources or scarce products can be defined as intervention in the affairs of an enterprise. In the future, such intervention should be restricted to the most important national economic priorities. [passage omitted]

In the nearest future, however, due mainly to the shortages plaguing our economy, the state's acts of intervention will also have to be directed toward mandatory projects, toward the production and distribution of scarce products, or toward fixed allocations of resources of limited availability such as foreign currency, strategic raw materials, and so forth. Fixed allocations are by no means the goal or the target solution of restructuring. It is a temporary solution, enforced by circumstances.

[Question] What will happen if an enterprise mismanages the property entrusted to it?

[Matejka] The state may intervene in the affairs of an enterprise only in the case of designated national economic priorities which are spelled out in the state plan. That is the first possibility. The other possibility of intervention in enterprise affairs is if the enterprise stops discharging its functions ensuing from the law on the enterprise. If it is insolvent, for example, and does not effect remittance to the state budget, does not pay its suppliers, does not repay its credits, or does not pay to the bank interest on the credit; or, if it even gets into a situation in which the capital stock, which society entrusted into its hands, becomes jeopardized. In such a case the state naturally has the right to intervene.

[Question] What opportunities will be available to enterprises regarding choice of their production program? Will agricultural enterprises, for example, manufacture electronics...?

[Matejka] The state will naturally demarcate in a way the framework for the entrepreneurial activity of organizations by approving, in its capacity as the founder, the organizations' statute. By approving the statute it will simultaneously approve the production profile. But the statutes will not be defined in any narrow sense. This is impossible as the demand for zero-waste production, for example, results in the main production spinning off several sideline productions that may be completely different in nature. The statutes must be defined more liberally than has been the case until now. They must not curtail the enterprises' foreign trade, commercial, designing, or research activities. [passage omitted]

As a matter of principle, the rule should therefore apply that an enterprise which meets the mandatory tasks of the state plan, surrenders its profit shares, pays its taxes, and honors its obligations toward its suppliers, customers, and the bank, can choose the production structure, the structure of its foreign trade and of its deliveries to the home market. The enterprise must also have the right to choose the production factors, the right to decide on the use of earnings it retains after remittances to the state budget, the right to pool its resources with others [sdruzovat se], and that no one is permitted to siphon off the resources it has created. The rights of the enterprise must thus be very wide-ranging.

[Question] Does this include the right to produce what it pleases, even if it has no bearing on its mission?

[Matejka] Do we want to have cost-effective products of good quality and buy them cheaply? If we do, then we must accept that when someone -- the Slusovice United Agricultural Cooperative, for example -- meets its mandatory tasks in the field of agriculture and is capable of manufacturing something that is more cost-effective and of better quality than the product of a traditional producer from a different sector, it should have the right to do so. As long as it does so under the same conditions, of course. This means that agriculture, too, must remit the same profit shares and taxes as industry. Since agriculture enjoys lower taxation today -- and this applies also to its sideline production -- many production activities seem to be more cost-effective in united agricultural cooperatives than in industry. However, when after the restructuring of wholesale and procurement prices and the subsequent restructuring of the system of remittances and taxation, which will essentially unify the tax burden for all branches, including agriculture, when even under those conditions any united agricultural cooperative manages to manufacture more efficiently something that is being produced today by the traditional engineering or food industries, and when it manages to market it more efficiently, let it do so. Because we also want to give this to the people in the textile and cotton industries, engineering and electrical engineering, to miners, to everyone.

[Question] But surely, not everyone can now venture upon everything that is profitable.

[Matejka] No. But they will not. When someone wants to produce something he must be able to sell it, that is, he must be able to produce it at least as efficiently, or more efficiently, than it is being produced now. And there must be interest in this product. As long as these requirements are met, it is okay for him to produce it. After all, we constantly complain about having many products that are in short supply; we cannot therefore bar economic subjects from producing something which the consumer wants. And I do not think that a united agricultural cooperative would take up metallurgical production or that miners will start manufacturing textiles. After all, you need experience, qualified manpower, you need production assets, you need many things...

[Question] But who in this country will then produce and provide for all the thousands of small items that we are short of and which everyone finds unprofitable to produce?

[Matejka] That is a question of the price. What we are talking about is the right to engage in entrepreneurial activity. If you are efficient, if a cooperative is more efficient than state industry, let the products be manufactured by the cooperative, let it compete with state industry; and if someone operating on an individual basis provides certain services or does certain repairs more efficiently then the cooperative, let the individual do it! Otherwise we will be unable to eliminate the losses of some services, or small restaurants, small stores, and the like. That is, to have these thousands of small items of which we are short today and which no one wants to produce, this right to engage in entrepreneurial activity must exist, naturally alongside a good and flexible price policy. I would like to point out, with uniform taxation in force, much of the sideline production which seems to be more profitable for cooperatives today [than for state industry] may turn out to be not all that profitable.

[Question] Yet it is not so much the small restaurants that are unprofitable, but the big ones. This is the case of large enterprise, of interhotels.

[Matejka] Surely, interhotels should not be loss-makers. An interhotel is a luxury and luxury should be paid for. I would like to draw attention to the fact that also interhotels, and the tiers above them, are saddled with a great amount of administrative work that makes their operation needlessly expensive. In my opinion, an interhotel should be an independent enterprise, without any tier of management above it. The catering trade, including interhotels, make losses, yet the employees of the catering trade, including those in the overlying tiers, are rich, though not always from legal revenues.

Likewise, the large department stores such as Kotva, Maj, or the Bratislava department stores should be completely independent enterprises; there need not be any intermediary links between the ministries of trade and these giant shopping centers, just as they need not be between the ministries of trade and restaurant and hotel centers. But these units must be profitable. They have to support themselves.

BORDER GUARDS' ORDER TO SHOOT RESCINDED

LD221146 Hamburg DPA in German 1102 GMT 22 Aug 87

[Text] The order to GDR border guards to shoot has been rescinded, prior to the visit of GDR Head of State Honecker to the Federal Republic. This was announced today by Henning, parliamentary state secretary at the Intra-German Relations Ministry.

A few weeks ago, a GDR border guard who escaped to the West reported that the order to shoot had been withdrawn on previous occasions, for example, during important visits by foreign officials.

HONECKER, STOPH GREET ROMANIAN COUNTERPARTS

LD220915 East Berlin ADN International Service in German 0202 GMT 22 Aug 87

[Text] Berlin, 22 Aug (ADN) -- "We can state with pleasure and satisfaction that relations of fraternal friendship and all-round cooperation between our parties, states, and peoples are developing and deepening on the firm foundation of Marxism-Leninism in the spirit of the Treaty on Friendship, Cooperation, and Mutual Assistance, the 15th anniversary of which we recently celebrated." This is stated in a greetings telegram on the 43rd anniversary of the revolution and the social and national, anti-fascist and anti-imperialist liberation of Romania. The message to Nicolae Ceausescu, secretary general of the RCP and president of Romania, and to Premier Constantin Dascalescu was signed by SED General Secretry Erich Honecker and GDR Premier Willi Stoph.

The message says the great achievements of the Romanian workers during the construction of socialism under the leadership of the RCP, and the many-sided efforts of the Romanian people in implementing the decisions of the 13th RCP Congress meet with the high esteem of the GDR people. As close allies, the GDR and Romania are fighting, together with the USSR and the other socialist countries, for the preservation and strengthening of world peace, for international security and detente. The peace strategy of the socialist countries stressed at the latest Berlin session of the Warsaw Pact Political Consultative Committee strengthens joint confidence that today, by means of a drastic reduction of all weapons of mass destruction and in particular of nuclear weapons, and by means of radical disarmament in the conventional sphere, an easing of the international situation may be attained.

MITTAG ENDS AUSTRIA VISIT AFTER 'SUCCESSFUL' TALKS

LD212032 East Berlin ADN International Service in German 1802 GMT 21 Aug 87

[Text] Salzburg, 21 Aug (ADN) -- Dr Guenter Mittag, member of the Politburo, secretary of the SED Central Committee, and deputy chairman of the GDR Council of State, today ended his visit to Austria following successful talks.

Dr Gerhard Beil, GDR minister of foreign trade, and Dr Alois Mock, vice chancellor and foreign minister of Austria, today in Salzburg signed an agreement that arranges financial issues between the GDR and Austria. In a subsequent talk, the two officials expressed their appreciation of the good state of bilateral relations.

REPRESENTATIVES INVITED TO OBSERVE NATO EXERCISES

LD211530 East Berlin ADN International Service in German 1308 GMT 21 Aug 87

[Text] Berlin, 21 Aug (ADN) -- Representatives from the GDR have been invited by the governments of the FRG, France, and Turkey to observe NATO exercises. This is in accordance with the regulations of the document of the stockholm Conference on Confidence and Security-Building Measures and Disarmament in Europe.

The GDR government has so far received and accepted invitations to seven NATO exercises. Colonel Peter Herrich and Colonel Werner Litzroth from the National People's Army will observe the "Reforger 87" exercise of the U.S. Armed forces in early September.

In implementation of the Stockholm document, 118 generals, officers, and diplomats from 25 countries, including 13 NATO states, visited three exercises on GDR territory as observers in spring and summer.

AUSTRIA SIGNS AGREEMENT ON LAW OF PROPERTY

LD211242 East Berlin ADN International Service in German 1040 GMT 21 Aug 87

[Text] Salzburg, 21 Aug (ADN) -- In Salzburg today Dr Gernard Beil, GDR minister for foreign trade, Dr Alois Mock, vice chancellor and foreign minister of the Republic of Austria, signed an agreement to regulate questions concerning the law of property between the GDR and Austria. In a subsequent talk, both politicians expressed their regard for the good level of relations between the two countries.

GDR Ambassador to Austria Klaus Wolf took part in the signing.

HONECKER GREETS GUYANA'S HOYTE ON REELECTION

AU211345 East Berlin NEUES DEUTSCHLAND in German 20 Aug 87 p 1

[Text] Berlin (ND) -- The SED Central Committee has conveyed the following congratulatory telegram, signed by its General Secretary Erich Honecker, to Hugh Desmond Hoyte, chairman of the National People's Congress of Guyana:

Distinguished Comrade Hugh Desmond Hoyte,

On behalf of the SED Central Committee and myself I extend heartfelt congratulations to you on your reelection as chairman of the National People's Congress of Guyana.

I wish you success, good health, and creative vigor in your responsible activity for the benefit of the working people of Guyana.

With socialist greetings
SED Central Committee
Erich Honecker
General Secretary

JUSTICE MINISTER DISCUSSES BASIC RIGHTS, AMNESTY

AU211348 East Berlin NEUES DEUTSCHLAND in German 20 Aug 87 p 2

[Text] Luckenwalde (ADN) -- On Wednesday [19 August] Hans-Joachim Heusinger, deputy chairman of the GDR Council of Ministers and minister of justice, visited the community of Petkus, Luckenwalde kreis which is part of his constituency. He conducted talks with grain growers, deputies, and representatives of social courts. In his statements he pointed out the experience and perception that basic rights guaranteed by the constitution are being reliably protected -- that people can pursue their peaceful work in quiet order and that attacks on the inviolability of the person are being consistently prosecuted by the state and society -- have deeply entered the daily consciousness of the citizens. This is also reflected in a decrease in the crime rate in the GDR. He assessed the amnesty, proclaimed by the GDR State Council on the 36th anniversary of the founding of the GDR, as an expression of the internal stability of worker-peasant power.

The justice minister stressed that lofty achievements in the cultivation of grain and in fashioning the social working and living conditions in the villages are helping to perfect the vitality of socialist democracy.

TRADE UNION LEADER TISCH VISITS GERA

LD212040 East Berlin ADN International Service in German 1642 GMT 21 Aug 87

[Text] Gera, 21 Aug (ADN) -- It is more than ever important to promote the creative initiatives and activities of the workers. This was stated by Harry Tisch, chairman of the FDGB National Executive, in Gera today, at a meeting with Bezirk [area] trade union functionaries.

The comprehensive strengthening of socialism is all the more important at the moment, as essential questions of safeguarding a peaceful future for mankind is in urgent need of a solution. For the first time since World War II, the historical chance exists to achieve a breakthrough to real disarmament, Tisch said.

The most important task at present is to increase the speed in the development and use of key technologies. Points of focus, such as high work productivity and quality along with lowering costs, also has to determine trade union work. The speaker underlined that the struggle for high performance is linked with further improvement of working and living conditions. Trade union work has to consistently influence concrete working conditions to make them favorable for supporting initiatives. It has to be the concern of trade unions to press for the responsible answering, realization, and precise control of all proposals and ideas from the workers in the plan discussion.

WALESA URGES FIGHT FOR 'SURVIVAL' OF SOLIDARITY

LD240901 Vatican City International Service in Polish 1415 GMT 23 Aug 87

[Text] As we announced earlier, at the beginning of the eighth Meeting of Friendship Between Nations, a video tape with an interview with Lech Walesa, recorded several days ago in Gdansk, was played. It was played in the auditorium of the exhibition hall on two gigantic television screens. Lech Walesa spoke of the need for the sanctification of work. He said we were increasingly threatened by a great danger, which is increasingly less dependent on us as individuals, as was demonstrated to us by Chernobyl.

If we don't fight for the survival of all of us in Solidarity, we will not sanctify work. If we don't understand the 1,000-year old teachings of the church, expressed in recent times by the present great Pope, we will wake up one day without having time to say thank you for the fact that we lived. This is all the more so because political systems threaten us with the consequences of their inability to govern. We lack today a feeling of sense, we chase after money, we frantically search for solutions to our problems, without considering the consequences.

Lech Walesa also emphasized that Solidarity is not finished and remains a great point of reference for the whole of Eastern Europe. He also said that his point of view was very different from the Polish Government's point of view. The authorities, he added, did not want him to destroy their political concept, but I have to do so, as I know I am right. If I am mistaken, I ask them to convince me, but not with batons and prison. Lech Walesa's words were received with thunderous applause by the thousands gathered, especially youth.

JARUZELSKI, MESSNER GREET ROMANIAN COUNTERPARTS

LD220928 Warsaw Domestic Service in Polish 0600 GMT 22 Aug 87

[Text] Wojciech Jaruzelski and Zbigniew Messner have sent a telegram of congratulations to Nicolae Ceausescu, secretary general of the RCP and president of Romania, and to Premier Constantin Dascalescu, on the 43rd anniversary of the victory of the revolution and social and national liberation.

We will continue to act consistently for lasting consolidation of internationalist friendship and fraternal cooperation, aimed at further all-round development of Polish-Romanian relations, better mutual understanding of achievements, and extension of mutual contacts, the telegram states.

MEETING HELD WITH GDR AGRICULTURAL DELEGATION

AU211512 Warsaw TRYBUNA LUDU in Polish 19 Aug 87 p 2

[Excerpts] [passage omitted] The implementation of a cooperation program for the years 1986-90 was the subject of a meeting that was attended by a delegation from the GDR Ministry of Agriculture, Forestry, and Foodstuffs -- the delegation is currently visiting Poland -- and held at the Ministry of Agriculture, Forestry, and Food Industries on 18 August. [passage omitted]

Cooperation plans for the coming year were set out in detail in a protocol signed by Ministers Bruno Lietz and Stanislaw Zieba. On the basis of the protocol, economic organizations and scientific institutions in the two countries will prepare detailed agreements in the near future. There are plans to expand trade in seed on the principle of equivalent deliveries. Our seed production sector is to supply GDR farms with seed-grain for rye and rye-wheat [pszenzyto] and with seed potatoes with a high starch content. In exchange for this we will receive, inter alia, 2,000 tons of winter barley seed.

In 1988 more than 800 students from our agricultural schools will travel to the GDR to attend 5-week practical courses. Students from GDR engineering schools will attend practical courses at our horticultural enterprises. The higher school in Meissen will organize a training course for agricultural cooperative chairmen and heads of Polish state farms, and in Poland a seminar will be held for directors of voivodship centers for agricultural advancement and their GDR counterparts.

On Tuesday afternoon the GDR delegation visited the Dawidy Agricultural Producer Cooperative.

LEADERS' PUBLIC APPEARANCES 11-18 AUGUST

AU211304 [Editorial Report] Warsaw TRYBUNA LUDU in Polish monitored from 12 through 18 August reports the following appearances of Polish leaders (date and page in parentheses):

PZPR First Secretary Wojciech Jaruzelski received Ryszard Karski, new ambassador to the FRG; Zenon Czechowicz, ambassador to Hungary; and Zbigniew Gertych, ambassador to Great Britain, on 13 August. (14 August, p 2)

Premier Zbigniew Messner received Tadeusz Czechowicz, ambassador to Hungary on 15 August (17 August, p 2), and Marian Krzak, ambassador to Austria, on 17 August. (18 August, p 2)

Jozef Czyrek, Politburo member and Central Committee secretary, received Marian Naszkowski, meritorious party member, on his 75th birthday. (15-16 August, p 2)

Central Committee Secretary Stanislaw Ciosek visited harvesters and a youth summer camp in Podlasie region. (15-16 August, p 2)

Central Committee Secretary Kazimierz Cypryniak received a CPSU delegation from Kursk and discussed with it cooperation between the towns of Skierniewice and Kursk. (15-16 August, p 2)

Zbigniew Michalek, Politburo candidate member and Central Committee secretary, received Soviet farm specialists to discuss Polish farming on 18 August. (19 August, p 2)

Politburo Member Florian Siwicki attended a meeting of the Gorzow Wielkopolski Voivodship Defense Committee and visited the Ursus mechanical plant in Gorzow on 13 August. (Warsaw ZOLNIERZ WOLNOSCI in Polish 14 August, p 1)

AMBASSADOR IN ROME COMMENTS ON GULF, REFORM

AU210917 Rome ANSA in English 0833 GMT 21 Aug 87

[Text] (ANSA) Rome [no date as received] -- The presence of Foreign military units in the Persian Gulf is a threat to peace and for this reason Romania calls for their immediate withdrawal, the Romanian ambassador to Rome, Constantin Tudor, said in Rome Thursday during an encounter with journalists on the occasion of his country's national holiday.

The diplomat added that "Romania, like Italy", is in favor of implementation of the U.N. Security Council resolution for a ceasefire between Iran and Iraq.

Ambassador Tudor also stressed Romania's efforts on behalf of peace and said that head-of-state Nicolae Ceausescu was committed to seeking a negotiated solution to the Mideast crisis. (Israeli Premier Yitzhaq Shamir is currently in Bucharest.)

The diplomat also stressed Italo-Romanian cooperation on an international plane and the close cooperation between the two nations within international organisms.

Asked to comment on the Gorbachev reforms in the USSR, Tudor said that many of these reforms had already been experimented in Romania years ago.

Asked about human rights in Romania, the ambassador said that the essential human rights were "the right to life, the right to work and the right to peace".

CEAUSESCU CHAIRS PEC MEETING 21 AUGUST

Discusses Shamir's Visit

AU211759 Bucharest AGERPRES in English 1717 GMT 21 Aug 87

[Text] Bucharest, AGERPRES, 21/08/1987 -- During its Friday, August 21 meeting held under the chairmanship of Nicolae Ceausescu, general secretary of the RCP, president of Romania, the Executive Political Committee [PEC] was informed of the official visit Yitzhaq Shamir, prime minister of the State of Israel, paid to the Socialist Republic of Romania over August 17-20, 1987.

The Executive Political Committee considered the meeting and talks between President Nicolae Ceausescu and Premier Yitzhaq Shamir as highly useful and constructive, conducive to the strengthening of the relations on various planes between Romania and Israel and also contributing in a positive manner to the peace efforts in the Middle East and in the world. The fact was underscored that during the talks President Nicolae Ceausescu and Premier Yitzhaq Shamir reached the joint conclusion that a military solution to the Middle East issues was not possible, that such a way should be given up, that the situation in the area could and had to be solved by peaceful means, through negotiations alone.

The Executive Political Committee was highly appreciative of the way in which President Nicolae Ceausescu reiterated Romania's consistent stance on a global, peaceful and negotiated settlement of the Middle East situation and, in that respect, on the calling of an international conference under UN aegis to be attended by all the sides concerned and also by the PLO -- as the sole and legitimate representative of the Palestinian people -- by Israel and the Security Council permanent members.

The Executive Political Committee highlighted the importance of a statement President Nicolae Ceausescu made during his talks with the Israeli premier to the effect that at present prerequisites existed for a lasting and just peace in the Middle East, through negotiations, that everything possible should be done not to waste that historic chance and to make the best use of existing conditions.

The Executive Political Committee fully approved of the results of the meeting between Romania's president and the Israeli premier and set measures for the implementation of the understandings reached, for the further development of bilateral relations and of cooperation between the two countries.

Reviews Economic Matters

AU211801 Bucharest AGERPRES in English 1724 GMT 21 Aug 87

[Text] Bucharest, AGERPRES, 21/8/1987 -- On August 21, RCP General Secretary Nicolae Ceausescu chaired a meeting of the Executive Political Committee [PEC] of the CC of the RCP, which debated several economic reports.

Aspects were analysed relating to the fulfilment of the major technical-economic indicators with the industrial units recently put into operation, the observance of raw and subsidiary materials, fuel and energy consumption norms for the first semester of 1987 in comparison with the first semester a year ago, the growth of productivity and the correlation of the main work and payment indicators in the national industry in the first half of 1987 as to the same period last year, the fulfilment of the production cost plan in the national industry in the first semester this year compared to the same period a year ago, the ensurance and control of the quality of products and the metrology work in the second half of 1987, the stage in contracting the industrial output and the investment projects in 1987, the situation of the livestock after the first half of this year. The Executive Political Committee took practical, efficient measures for the rigorous fulfilment of the technical-economic indicators in all these domains.

Examining the evolution of prices and tariffs in the first semester of 1987, the Executive Political Committee of the CC of the RCP assessed that both the retail prices and tariffs index and that of the prices for the foodstuffs delivered to the state stock were within the planned limits and, in certain cases, below them, which illustrates the correctness of the measures set by the RCP and Romanian state leadership for the ensurance of stability of all categories of prices, the sound character of the Romanian economy. The Executive Political Committee requested the relevant bodies to further take measures so as to provide for the evolution of prices within the planned limits as well as for the observance of the plan provisions regarding the achievement of various types of products meant for the population's consumption.

AGERPRES REVIEWS 1986 ECONOMIC ACHIEVEMENTS

AU231424 Bucharest AGERPRES in English 1718 GMT 22 Aug 87

["Qualitative-Intensive Changes in the Romanian Economy" -- AGERPRES headline]

[Text] Bucharest, AGERPRES, 22/08/1987 -- As an outcome of the development of the production forces Romania's national wealth went up from 330 thousand million lei in 1950 to 4,715 thousand million lei in 1986. The value of fixed assets increased from 160 thousand million lei in 1944 to roughly 3,000 thousand million lei in 1986, that is more than 130,000 lei per capita. The last two decades account for 90 per cent of the rise in fixed-asset value.

At present, Romania's economy boasts a modern structure by branches and an industrial-agrarian character. It is harmoniously located throughout the territory, has a favorable bearing on the other branches of material production and is apt to secure a dynamic structural balance at ever higher efficiency and competitive levels. Today, Romania's industry is virtually able to produce the most modern machines and outfit to equip all areas. Industrial output in 1986 was 115 fold larger than in 1944 increasing from 11.4 to over 1,300 thousand million lei. As a matter of fact, industry contributes some 60 per cent to national income formation.

As industry turned into a modern leading branch of the national economy as a whole favourable conditions were created for an intensive growth of agriculture and of the other sectors. Today, Romania is apt to meet more than 80 per cent of its requirements for machinery and equipment with its own forces.

Romania's experience attested to both the deciding role of the machine-building industry and of the manufacturing industry in general in the modern development of the production forces and the particular importance of the dynamic correlation between this sector, which secures a high capitalization index, and its own raw materials and energy sources.

In 1986 the metal industry produced over 14 million tons of steel, which compares with 245,000 tons in 1944. In its turn, mechanical engineering increased the worth of its production from 800 million lei in 1944 to 389 thousand million lei in 1986. The chemical and petrochemical industry has grown powerfully to produce about one thousand times more than back in 1944. Furthermore, the consumer goods manufacturing industrial branches have been developed and updated. So, for instance, the light and food industries produce over 210 and respectively 36 times more than in the aforesaid year.

When substantiating the strategy for the creation of a modern national economy the RCP correlated the transformation of industry into a leading branch with the growth of an advanced socialist agriculture relying on strong technical equipment and better production organization. Farm production in 1986 was more than five times up from 1944.

Following the development of the two basic branches -- industry and agriculture -- and in light of the requirements of the entire national economy, construction, transport, telecommunications and the whole infrastructure of social production have been developed and modernized, which has had a positive bearing on the efficiency of enlarged reproduction and the rise in the people's standard of living. As an outcome of the modern development of the branches of material production and of the growth of the efficiency of the productive force of labour, at present the national income is 32 times higher than in 1945, more than 80 per cent of the total growth being registered in the period after 1965. Moreover, following the application of the policy of rationally distributing the forces of production in the territory, industry is located in all counties whose economy boasts a modern character and a highly diversified structure. The per capita volume of economic activity was worth at least 70,000 lei in every Romanian county in 1985.

On the basis of the quantitative accumulations made in the national economy, more particularly in the 1970-1980 decade, when the production forces developed tremendously, the thirteenth party congress worked out a strategy concerning the achievement of an intensive economic growth, according to which qualitative factors turn into the decisive support of the rise in the per capita national income, prerequisites being thus offered for Romania's transition to a new stage - that of a medium-developed country - at the end of the five-year period spanning 1986-1990.

SOCIOECONOMIC, NATIONAL WEALTH DEVELOPMENT VIEWED

AU231418 Bucharest AGERPRES in English 1707 GMT 22 Aug 87

[Text] Bucharest, AGERPRES, 22/8/1987 -- The achievements scored in socioeconomic development, and in the growth of the national wealth brought about a steadily greater purchasing power of the population owing to a rational policy of prices for commodities and tariffs for services. The population's real incomes were more than seven times bigger in 1986 than in 1950, and the per capita real incomes rose over five fold. Given the persevering application of the principles of socialist equity in the sphere of distribution, a rational ratio was achieved between the minimal payment and the maximal one, i.e. 1:5.5 at present from 1:25 in 1950. So, the share of the personnel with wages of up to 1,500 lei decreased from 91.8 per cent in 1965 to 3.8 per cent in 1985, the share of those earning 2,001-to-2,500 lei rose from 1.6 per cent to 30.8 per cent while of the ones having more than 2,500 lei grew from 0.5 per cent to 48.8 percent. Following the increase of average payment and the planned evolution of prices, real payment was 4.6 per cent higher in 1986 than in 1950.

The farmers' real incomes also rose five fold in the aforementioned period, and so did the incomes obtained by small tradesmen.

With every passing year the population has benefited from ever higher incomes earmarked from the state budget for the social consumption funds, which provides for free education for 5.5 million students, free-of-charge medicare for the country's population, payment of pensions for three million persons, state benefits for 4.5 million children a.s.o. [and so on]. Over 1951-1985, the state allotted 1,261 thousand million lei to cover such expenses.

In 1986 alone, these funds amounted to 116 thousand million lei; that is 5,080 lei per inhabitant. The funds alloted from the budget to educative were worth 317 thousand million lei in the 1951-1985 interval. Growing dynamics has been registered by the funds meant for child benefits (from 1.4 thousand million lei in 1957 to 20.8 thousand million lei in 1986).

The material base of culture and the art also saw powerful development. Romania has 5,600 cinemas now as to 1,300 in 1950 and more than 150 theatres and musical institutions from 57 in 1950. In the countryside there are 7,800 houses of culture that carry on a rich cultural-artistic activity. In 1986, 2,588 titles of books and booklets were edited in 61.1 million copies, while the newspapers and magazines amounted to 1,403 million copies.

Over 1951-1985, more than 257 thousand million lei were earmarked for health care which became a state policy. Now Romania has one physician in 475 inhabitants and 9.4 beds in hospitals for 1,000 inhabitants (as to 1,047 and 4.2, respectively, in 1950).

The funds for state social security, of which more than 90 per cent are meant for pension payment, increased from 6.5 thousand million lei in 1951-1955 to 156.3 thousand million over 1981-1985.

Growing incomes brought about growing demand for goods and services. Calculated in 100 homesteads, 86 per cent of them have radio receivers, 70 per cent TV sets, 58 refrigerators, 43 per cent washing machines, 20 per cent vacuum cleaners.

An integral part of the policy of raising the living standard, living conditions improved substantially as 5.3 million flats were built over 1951-1986 with state, enterprises, cooperative and public organizations and population's funds, so that 80 per cent of the country's population live now in new dwellings.

The measures taken in the sphere of health care, the steady improvement of the quality of life were conducive to growing life expectancy -- from 42 years in the interwar period to about 70 years now.

'23 AUGUST' ENTERPRISE PERFORMANCE REVIEWED

AU211530 Bucharest AGERPRES in English 0637 GMT 21 Aug 87

[Text] Bucharest, AGERPRES, 21/08/1987 -- A standard unit of the Romanian machine building industry, the "23 August" works of Bucharest is the largest supplier of equipment for almost all industrial branches. Scores of metallurgical, chemical or construction materials enterprises operate machines and plants manufactured by the big Bucharest works. A wide range of products -- locomotives, industrial outfits, internal-combustion engines, metallurgical and chemical equipment, cast and forged parts -- is exported to tens of countries all over the world among which the USSR, Pakistan, Turkey, Egypt. The USSR is the main beneficiary of engines and metallurgical equipment.

Almost 20,000 people work in this industrial centre. Complete, modernly equipped factories function as separate units. The cast and forged parts factory turns out 70,000 tons of pig iron, steel and non-ferrous metal parts annually supplying most of the necessary materials for the manufacture of locomotives, compressors, brake equipment. Another unit is specialized in the manufacture of hydraulic diesel and electric diesel locomotives (about 300 a year) with powers ranging from 180 to 2,400 hp exported to 30 countries. The engine manufacturing factory produces some 2,000 pieces yearly to equip locomotives, drilling equipment, vessels, 50 and 100-ton tip lorries, while the technological outfit factory manufactures equipment for the construction materials, metallurgical, oil, mining and nuclear power industries.

LEADERS PARTICIPATE IN NATIONAL DAY CELEBRATIONS

Ceausescu Attends Meeting

AU221816 Bucharest AGERPRES in English 1741 GMT 22 Aug 87

[Text] Bucharest, AGERPRES, 22/8/1987 -- Saturday afternoon the RCP General Secretary and Romania's President Nicolae Ceausescu and Mme Elena Ceausescu attended a festive meeting dedicated to the 43rd anniversary of the anti-fascist and anti-imperialist revolution of social and national liberation.

The meeting, which took place in the Republic's Palace Hall, was also attended by full and alternate members of the CC of the RCP Executive Political Committee, secretaries of the CC of the RCP.

Present were members of the CC of the RCP, of the State Council and of the government, party members since the underground period, participants in the anti-fascist and anti-imperialist revolution of social and national liberation of August 1944, anti-fascist war veterans, generals and senior officers, executives of central institutions, mass and public organizations, party and state activists, scientists, men of letters and artists, managers of enterprises, secretaries of party committees and front-ranking workers of the capital's large economic units.

Attending were heads of diplomatic missions accredited to Bucharest, military attaches, other members of the diplomatic corps, visiting foreign guests, as well as representatives of the foreign press.

The meeting was opened by Constantin Olteanu, member of the Executive Political Committee of the CC of the RCP, first secretary of the Bucharest Municipality RCP Committee.

Constantin Dascalescu, member of the Executive Political Committee of the CC of the RCP, prime minister of the Socialist Republic of Romania, spoke about the significance of the historical revolutionary act of August 23, 1944, about the grand renewing transformations taking place in Romania in the years of socialism.

The meeting was followed by a festive show.

Ceausescu Attends CC Reception

AU211900 Bucharest AGERPRES in English 1814 GMT 21 Aug 87

[Text] Bucharest, AGERPRES, 21/08/1987 -- In the evening of Friday, August 21, the general secretary of the Socialist Republic of Romania Nicolae Ceausescu and Mme Elena Ceausescu took part in a reception given by the Central Committee of the Romanian Communist Party and the State Council of the Socialist Republic of Romania on the anniversary of August 23 -- the Romanian people's national day.

The attendance included full and alternate members of the Executive Political Committee of the CC of the RCP, secretaries of the CC of the RCP, members of the Party Central Committee, of the State Council and Government, party members since the underground period, participants in the anti-fascist and anti-imperialist revolution of social and national liberation of August 1944, anti-fascist war veterans, executives of mass and public organizations, generals, heroes of socialists work, heroes of the new agrarian revolution, men of letters and scientists, heads of religious denominations, journalists.

Present were heads of diplomatic missions accredited to Bucharest, military attaches, guests from abroad.

President Nicolae Ceausescu was addressed warm congratulations on the Romanian people's national day by members of the party and state leadership, party members since the underground period, representatives of mass and public organizations, of large worker collectivities, men of letters, artists and scientists.

Cordial wishes and congratulations were also addressed to President Nicolae Ceausescu by heads of diplomatic missions and foreign guests.

The reception was held in a warm, friendly atmosphere.

BRIEFS

NEW WATER POWER GENERATOR -- Bucharest, AGERPRES, 21/08/1987 -- A new generator of the Sascior water power plant on the River Sebes (Central Romania) with an installed generating capacity of 21 MW has been connected to the national power grid. After technological tests the plant is to operate at capacity. The event marked the finalization of the river development project which also included the building and commissioning of the water power plants at Gilceag, Susgag, Sasciori and Petresti summing up 346 MW. Likewise, the large storage lake at Petresti supplies drinking water to Alba Iulia Municipality and the towns of Sebes, Blaj, Aiud and Ocna Mres. [Text] [Bucharest AGERPRES in English 1313 GMT 21 Aug 87 AU]

RILINDJA COMMENTS KOSOVO POLJE GATHERING

AU211926 Pristina RILINDJA in Albanian 17 Aug p 2

[V. Surroi article: "Ill-Omened Similarities"]

[Text] In August and September last year, after the 13th LCY Congress, the number of intranational excesses against Serbs and Montenegrins strangely increased, and along with them the number of gatherings of Serb and Montenegrin citizens also increased. It was at once clear that these excessive reactions did not happen by chance, but were a clear response to the unity achieved at LCY level, especially regarding the solution of the Kosovo crisis. So it is no wonder that we have a sequence of excesses and another series of gatherings of Serb and Montenegrin citizens on a provincial scale after the plenum about Kosovo, and after the conclusions of this plenum began to be enforced.

Such parallels are truly ill-omens. Last year, immediately after the 13th LCY Congress and after the vigorous action undertaken to put through the measures of the two national presidencies, new incidences of the cooling of intranational relations were observable, that in some circumstances reached the point of a division on national lines, as was mentioned at the last LCY Central Committee plenum. The reporting of excesses and of gatherings held on the basis of national affiliation immediately afterwards succeeded in making a substantial "contribution" to the further deterioration of the situation, and led to the holding of a plenum at the LCY level to study Kosovo issues.

Those who wish to draw these parallels are well-known to Kosovo public opinion. It is a matter first of all of Albanian nationalism, which can never reconcile itself to the growing conviction among the Albanian nationality of the destructiveness of nationalism for a people of nationality, and which cannot reconcile itself to the united stands taken at a national level to solve the Kosovo crisis on the basis of the principles of socialist self-management. One of the desires of this nationalism is the holding of gatherings on the basis of national affiliation, further polarizing intranational relations, and promoting the old reactionary theory of the impossibility of Albanians sharing a common life with other nationalities in our country. The continuation of such a strained state of affairs provides grist to the mill of Albanian nationalism.

Nevertheless there are qualitative differences in the parallels with the situation this time last year. First of all, Communists at a national level have achieved unity of ideology and action regarding the work that must be done at once in Kosovo, and they have determinedly and concretely embarked upon this work. Secondly, the conclusions of the LCY Central Committee stress that gatherings on the basis of national affiliation cannot be allowed, that in the first place the reasons for their organization must be eliminated, and that there should also be ideopolitical work to convert people away from their single-nationality position.

The last gathering on the basis of national affiliation at Kosovo Polje was part of these parallels, in spite of the statements of the plenum of Kosovo. The gathering was of the same kind as those before, because it was organized on the basis of national identity and outside the context of our political system.

Persons well-known as national leaders of "the Serbian cause in Kosovo" were prominent in the organization of this gathering, and the same methods were used. Just as before, although caused by a real excess, and a threat to personal security, the gathering assumed the character of a political discourse beyond the framework of our socialist self-managing political system, despite the observations of certain scattered individuals that the Kosovo Polje gatherings have preserved a clear divinding line between the national and the nationalist.

Many signs at the gathering the day before yesterday showed that a number of manipulators, exploiting the strained situation and the real problems, wished to divert the energy of the Serbian and Montenegrin peoples, which is to solve the problems on socialist and self-managing lines, into radically different channels. For instance, some people interrupted Zoran Sokolovic, secretary of the Presidency of the LC of Serbia Central Committee, with shouting and whistling at the precise part of his speech where he appealed for problems to be solved by a common front of fraternal peoples and nationalities, not by gatherings of a single nationality and by generalized accusations. There was also whistling when he appealed for confidence in the Communists of the nation, of Serbia, and Kosovo, who are committed to the implementation of the LCY Central Committee plenum conclusions. On the other hand, some other speeches of a quite different tone won applause and exclamations of approval from a section of the gathering, as in the case of Darinka Popovic. After saying that she was ready to give land to any Serb from Serbia who wanted to live in brotherhood with the Albanians and that she herself would go to Serbia, she said that only the Army could solve the Kosovo situation. There was the similar case of Radojka Mijunic, a well-known participant in these gatherings like the speaker mentioned earlier, who expressed hatred of the nastiest kind by saying that the supporters of Yugoslavia are the Serbs, who have always fought and died to give freedom to others, and that the Albanians never have supported and never can support this country, but will always turn their backs on it.

These words won applause, as did the appearance of the leader-like figure of Bogdan Kecman, who explained why invitations had been extended to Lazar Mojsov, president of the SFRY Presidency, and Bosko Krunic, president of the LCY Central Committee. According to his speech, "it is evident that Serbia has no authority to act in Kosovo, and, while not wishing to disparage the leadership of Serbia -- who have certainly initiated the future constitutional changes which will repair the situation in the SR of Serbia -- we decided to invite the highest federal leaders." The political discourse of Kecman and other members of the "organizational bureau" of these gatherings has unfolded recently, marked by pronounced demands for the centralization of power in the SR of Serbia. After all, signs of stabilization in Kosovo in the direction of the reaffirmation of brotherhood and unity do not please Albanian nationalism; its collaborators therefore have a vital interest in maintaining a constantly tense situation to prove the incompetence of the provincial authorities where security and guaranteeing the civil rights of all nationalities are concerned, even if it is done with slogans about "the historical dubiousness of the Albanians."

The end of the gathering nevertheless drew attention to the seriousness of the situation and to the extent of both active and passive resistance to the enforcement of the LCY plenum conclusions in this region. When Bogdan Kecman, at the beginning of the gathering, asked of the more than 4,000 participants that the rally should not begin without the attendance of the invited guests, there was about half an hour of persuasion necessary before the rally in fact began. Mitar Baljevic, president of the Kosovo Polje LC District Conference, wanted it to begin, while a section of those present did not. When, 2 hours later, Momcilo Trajkovic, executive secretary of the Pristina LC Communal Committee Presidency asked for the meeting to disperse, in support of the enforcement of the LSI Central Committee plenum conclusions, whistling was heard again. Nevertheless when Kecman asked the gathering to disperse on the grounds that "the guests had not come," the "Aca Marovic" schoolyard soon began to empty. The participation of the president of the District Conference in the April Kosovo Polje gathering was merely as the technical leader of the meeting, and does not have any signficance on the present occasion either.

What remains of the gathering? On the one hand, there is the reaffirmation of the judgments made in the recent discussion of the LC of Serbia Central Committee, which state that progressive forces in Kosovo with the LC at their head are waging a determined struggle for stabilization. On the other hand, there is the need to strengthen the common front of the peoples and nationalities in this struggle to perform the main tasks arising from the conclusions of the LCY Central Committee ninth plenum. The return to the "method of work" of gatherings with a lot of noise and little sense, at the very moment when the realization of the LCY Central Committee plenum conclusions is gathering speed, is not only an obstacle for this activity, but is also a return to the cyclic repetition of outbreaks of national divisiveness. They help the people who are objectively dissatisfied with this situation least of all.

The condemnation of every intranational excess, such as the attack on a Serbian minor in Gornje Dobrevo that was among the reasons for this gathering, and the condemnation of every kind of nationalism, must be a common task, because the battle for the stabilization of the political situation in Kosovo cannot be waged otherwise. Commitment and mobilization on the common front are more necessary than ever; this is the only way of achieving success.

KOSOVO OFFICIAL COMMENTS ON PRESS COVERAGE

AU212001 Belgrade Domestic Service in Serbo-Croatian 1700 GMT 21 Aug 87

[Interview with Bakir Maksut, president of the Kosovo Provincial Committee for Information, by Dragan Stavljanin, place and date not given -- recorded]

[Text] [Stavljanin] Comrade Maksut, tell us how you assess the situation in information services, that is to say, how you assess the reports in Kosovo in the Yugoslav press and public media in general?

[Maksut] We assess that public media in general inform the Yugoslav public objectively, rather objectively about Kosovo and from Kosovo. Of course there are some shortcomings, there are also some weaknesses. There are also some things that do not contribute to the stabilization of the situation. A competition continues, especially in a number of the illustrated magazines, as if they were competing and contesting as to which will publish more negative reports on the so-called black spots in Kosovo, and more sensationalist articles.

By saying this I do not in the least advocate any sort of censorship of the press, far from it; but I do advocate objective and realistic reporting above all. This means that the shortcomings that occur -- of which we are not immune, far from it -- should be reported, too. These shortcomings must be most sharply denounced, but it must be done in a well-supported way. Responsibility must be felt for every word stated. Unfortunately this has been lacking in a number of editorial offices, particularly recently.

[Stavljanin] Which editorial offices?

[Maksut] I have said a number of magazines. They are (?NOM), KNJIZEVNE, NOVINE, and recently NIN.

[Stavljanin] Conclusions have been adopted by the Central Committee and they impose the obligation of direct activities. What will be concretely undertaken by the Provincial Committee for Information of Kosovo and the Republican Committee for Information of Serbia?

[Maksut] In this field we are nearing the end of concluding a self-managing agreement on mutual cooperation and links among the television centers within the republic; work is also under way on the conclusion of an appropriate self-managing agreement between the newspaper publishing organizations.

POOR REPUTATION CAUSES LC MEMBERSHIP DECLINE

AU210949 Belgrade BORBA in Serbo-Croatian 5 Aug 87 p 6

[V. Simonovic report: "Minus Sign Increasingly Bigger"]

[Excerpts] Ljubljana, 4 Aug -- A research of the Ljubljana Institute for Political Sciences shows that the reputation of the Slovene LC in the public is increasingly deteriorating.

The criticism of the LC is currently at the 1968 level. Equally worrying are the results of another analysis about the trends and structure of the LC membership: The attrition of the membership is becoming larger from year to year. This has significantly weakened the social and class structure of the Slovene LC. The common factor of these two studies are the reasons leading to this situation. The chief reasons are, of course, a long social and economic crisis, the LC's lack of efficiency in realizing its own programs and policies, and the membership's weak influence on the shaping of the party's policy. [passage omitted]

The "drain" or "minus" in 1984 was 612, last year 2,034, while in the first 3 months of this year alone 1,034 members left the Slovene LC. These data are quite understandable if one knows that between 1982 and the first half of 1985 half of Slovenia's basic LC organizations did not enroll a single new member, which is the best indicator as to how closed and passive they are. The least assiduous about enrolling new members are the organizations in secondary schools, universities, and bigger industrial centers. [passage omitted]

USE OF SFRY AS REFUGEE TRANSIT POINT REPORTED

LD221307 Belgrade TANJUG in English 1125 GMT 22 Aug 87

[By Milica Knezevic]

[Text] Belgrade, August 22 (TANJUG) -- Yugoslavia can be entered at numerous official border crossings from seven neighbouring states, but certain foreigners have arrived illegally also this summer. The motives and routes for illegal entry are various. For the majority of the 1,200 refugees who entered the country last year, Yugoslavia was only a transit stop on the difficult journey to one of the West European countries.

Last week, an illegal international organization for smuggling cheap labour from the Near and Far East to Western Europe was discovered near the Yugoslav-Italian border. The Trieste police arrested nine citizens of Trieste and two Tamiles who, for 300 dollars each, illegally transferred Turks, Chinese and Sri Lankans from Yugoslavia to Italy.

Investigation determined that, seeking work, the refugees sold all their possessions to buy airplane tickets to Belgrade or Ljubljana.

They then made for Koper in Istria from where they were transferred by the Trieste guides to the border with Italy, which they crossed alone. On the Italian side they were received and taken to the border with Austria.

Three Albanian families with 17 members crossed over to Yugoslavia last week. Among them were several children. Their stated reasons for fleeing their country were difficult living conditions, torture and persecution by the Albanian authorities. The male adults have been detained, and the women and children have been given accomodation in a hotel in Titograd.

Ten Bulgarians, carrying no passports, were caught last week illegally crossing the Italian-Yugoslav border, near the town of Tarvisio. Italian police believe that a Yugoslav National brought the group of Romanians [as received] to the Italian border, and that a Romanian, whose identity is also known, had the task of smuggling them to France.

In the second half of July, two Albanian nationals crossed the Yugoslav border after an eight-hour swimming marathon. One of them drowned however, near the coast of the Ada Island near Ulcinj, southern Adriatic.

In 1986, around 1,200 refugees passed through Yugoslavia en route to the West. The majority of people fleeing through Yugoslavia are Romanians (58 percent), Czechoslovaks (25 percent), Poles (6 percent), Hungarians (3 percent), Albanians (1.3 percent), nationals of the German Democratic Republic (1.34 percent) and Soviet Union (0.3 percent).

It is known that Yugoslavia, as a signatory to the convention on refugees, is obliged to give protection and aid to those who leave their country for political, religious, national and racial reasons.

Yugoslavia is unable to accept all these refugees. Fortunately, however, few of them seek asylum from the Yugoslav authorities. They remain in Yugoslavia for shorter or longer periods, and are given accomodation while possibilities are sought for them to return to their countries unless care of them is taken by representatives of the U.N. High Commissioner for Refugees.

The law on the movement and [words indistinct] foreigners in Yugoslavia defines conditions for granting asylum and protection to refugees. The decision, in written form, on granting or taking away the right to asylum is taken by the Yugoslav internal affairs secretary.

A foreigner who is granted asylum in Yugoslavia gets permanent residence. Those foreigners who do not have a recognized refugee status will be given temporary residence until their departure to another. [sentence as received] They will also be provided with health care, accomodation and material security until conditions are created for their self-support, for two years at the longest since the date the request for status recognition was filed.